

**FBIS****DAILY REPORT  
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19 Jun 87

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ROUNDUP NOTES WEST EUROPEAN VIEW OF ARMS TALKS

HK190241 Beijing RENMIN RIBAO in Chinese 17 Jun 87 p 6

[Roundup by reporter Gu Yaoming (7357 5069 6900): "Western Europe Gives the Green Light to the 'Double Zero Option'"]

[Text] The just concluded spring meeting of foreign ministers of NATO member states finally ended the hesitation that various NATO states have felt for quite some time toward the elimination of intermediate- and short-range missiles, and supported the United States in reaching an agreement to eliminate these missiles in Europe. Moreover, the meeting appealed to the Soviet Union not to persist in retaining its SS-20 missiles in Asia and conclude a "double-zero-option" agreement with the United States on a global scale. This is an important development in the efforts of the United States and its West European allies to coordinate their position toward the arms control negotiations with the Soviet Union.

In the 8 months since the U.S.-Soviet Iceland summit, a turn for the better in the efforts of the United States, the Soviet Union, and Western Europe to negotiate matters centering on the intermediate-range missile talks was achieved only after many setbacks. After careful study and weighing the pros and cons, some major West European countries finally reached a consensus on the issue.

West European support is without a doubt a big push to the U.S.-Soviet talks on intermediate-range missiles, but this does not mean that everything has gone well in the efforts to conclude an intermediate-range missile agreement between the United States and the Soviet Union. At a press conference after the meeting, American Secretary of State George Shultz stated that the negotiations with the Soviet Union were still in progress while expressing his pleasure over the support given by Western Europe. What was actually meant is that there is still a lot of wrangling between the United States and the Soviet Union on some specific issues.

Before the current meeting, what was more frequently discussed by the delegations of countries concerned were the issues of verification in the intermediate-range missile agreement, West Germany's position that the 72 Pershing-1A missiles should not become part of any negotiations, and the Soviet SS-20 missiles in Asia.

On the verification issue, the speeches of some foreign ministers and the statement issued by the meeting repeatedly stressed the necessity of "an effective verification." This shows that European and American countries still have doubts and misgivings about the intermediate-range missile agreement. Naturally, it is also a very complicated point in the U.S-Soviet disarmament talks.

On the issue of 72 Pershing-1A's in West Germany, after the meeting Shultz stated once again that the U.S.-Soviet disarmament talks would definitely not involve the weapons of a third nation. Although this statement could dispel some worries of West Germany and other allies of the United States, the Soviet Union once indicated that those missiles should be included in the talks. For the United States, this remains a thorny problem.

On the issue of Soviet SS-20's in Asia, the current meeting of foreign ministers and the meeting of defense ministers of the NATO member states held last month demanded that intermediate-range missiles be eliminated on a global scale. However, the Soviet Union still has reservations on this issue.

In addition, at the current meeting, the foreign ministers of NATO member states repeatedly urged the United States to hold negotiations with the Soviet Union on reduction of conventional and chemical weapons. Some foreign ministers stated that the future negotiations on reduction of nuclear weapons should be coupled with that of conventional weapons. This shows that West European countries still have doubts and misgivings on the agreement on intermediate-range missiles or on the next step the United States and the Soviet Union will take in their disarmament dealings.

The very day the meeting concluded, TASS published a commentary accusing the meeting of complicating the U.S.-Soviet negotiations. This demonstrates that the Soviet Union was dissatisfied with the meeting of foreign ministers of NATO member states and is ready to continue to haggle with the United States in their negotiations.

With Western Europe giving the green light to the "double zero option," people generally feel more optimistic about the conclusion of an agreement on intermediate-range missiles between the United States and the Soviet Union. However, more often than not, the complications of the U.S.-Soviet arms talks are unpredictable.

#### LI XIANNIAN MEETS ADVERTISING CONGRESS DELEGATES

OW171300 Beijing XINHUA in English 1223 GMT 17 Jun 87

[Text] Beijing, June 17 (XINHUA) -- Chinese President Li Xiannian met with participants of the Third World Advertising Congress in Beijing's Great Hall of the People today.

Li welcomed them by saying, "I hope these foreign representatives of international finance, trade and advertising circles will be able to travel around the country to see how China is benefiting from the current reforms and open policy."

"The congress is a good opportunity for participants to learn from each other," Li said, "and I hope the meeting will contribute to South-South cooperation, South-North dialogue and the development of international trade."

Sponsored by the Chinese Ministry of Foreign Economic Relations and Trade and Britain's "SOUTH" magazine, the congress has drawn 1,400 participants from 52 countries.

The 4-day meeting will feature discussions on the overall utilization of advertising in promoting economic development, and Chinese officials will give lectures on China's investment climate, policies on foreign investment, and the utilization of foreign capital.

RENMIN RIBAO ANALYZES 'IRANGATE' AFFAIR

HK181414 Beijing RENMIN RIBAO in Chinese 18 Jun 87 p 6

[("Roundup" by RENMIN RIBAO reporter Jing Xianfa (2529 2009 3127): "A Rough Sketch of the 'Irangate' Affair"]

[Text] After 6 weeks of hearings, the special committee of the U.S. Congress in charge of investigating the "Irangate" affair concluded the first stage of the investigation. Although it has been generally expected that more important clauses will be disclosed at the next hearing on 22 June, a general picture of the "Irangate" affair is becoming clear.

As Hamilton, chairman of the House of Representatives investigation committee said: "The investigation committee has witnessed a hearing rarely seen in the history of the U.S. Congress." A total of 18 persons bore witness at the hearing and the testimony of McFarlane, former national-security advisor; Secord, retired Air Force major general; contractor Hakim; and Hall, private secretary to Lieutenant Colonel North was very important. McFarlane said that President Reagan "expressed in public as well as in private on many occasions that he was unwilling to give up the anti-government armed forces in Nicaragua." Secord said: "The current government is fully aware of and gave consent to my act (providing aid to the Nicaraguan anti-government armed forces). Hakim admitted that he "admired very much" the practices of Lieutenant Colonel North and deposited a "pension" of \$200,000 for North's relatives in a Swiss Bank. Miss Hall said that Lieutenant Colonel North "definitely had sufficient and justifiable reasons" to order her to destroy the large amounts of confidential documents.

The first stage of the hearing clarified the facts, which include the working personnel from the National Security Committee suggesting talks be held with Iran on "exchanging weapons for hostages" through a private person; the profit of \$3.5 million obtained through arms sale being transferred to support the Nicaraguan anti-government armed forces; and the destruction of all confidential documents concerning the "Irangate" affair.

During the hearing, the public and the majority of the Congressmen focused their attention on the "private nature" of the United States' foreign policy. In collaboration with some private contractors, Lieutenant Colonel North controlled and even manipulated U.S. policy toward Iran and Central America. As a result, the powers of the Congress, which made the policies, and the President, who executed them, fell into the hands of others. The majority of the Congressmen said that "the private nature of foreign policy has always led to confusion and failure."

There are still many outstanding questions concerning the investigation of the "Irangate" affair including the \$35.6 million of questionable origin. Actually, according to conclusive evidence, the true amount is far below this sum. Meanwhile, the whereabouts of part of the contributions have already been ascertained: More than \$9 million has been deposited in Swiss banks as private savings, \$200,000 has been given to Lieutenant Colonel North as a pension, and \$90,000 has been spent on a private airplane and car for another contractor. After the hearing, Senator Nunn said: "The U.S. national flag which covered the greediness has been torn to pieces."

Viewed from the first stage of the hearing, there is no evidence so far to prove that President Reagan knew or authorized the transfer of profits obtained from arms sale to the Nicaraguan anti-government armed forces. It is also hard to verify whether the President was informed of the action after the congressional law was passed prohibiting arms supplies to the anti-government armed forces in Nicaragua.

The public has placed hopes on Lieutenant Colonel North and National Security Advisor Poindexter who will appear at the next hearing, to disclose the truth of the "Irangate" affair. However, owing to the death of Casey, former CIA chief and an important litigant, and Hall, private secretary to Lieutenant Colonel North, who received orders when the plot was exposed and destroyed the "18 inches thick" confidential documents, some people believe that the "Irangate" affair will possibly become an eternal mystery in U.S. politics.

#### WAN LI MEETS U.S. SCIENCE ADVISOR AT MEETING

OW171416 Beijing XINHUA in English 1402 GMT 17 Jun 87

[Text] Beijing, June 17 (XINHUA) -- Chinese acting Premier Wan Li met here today William R. Graham, science advisor to the U.S. President and director of White House Office of Science and Technology Policy.

Wan Li expressed satisfaction over the useful achievements in the Sino-U.S. scientific and technological cooperation and exchanges.

He welcomed Graham and his colleagues to China to attend the fifth Sino-U.S. Joint Commission Meeting on Science and Technology Cooperation.

Wan Li said that to strengthen Sino-U.S. scientific and technological cooperation is not only in the interests of the two countries, but can also contribute to world peace and development.

He said that the development of economy and improvement of people's living standard in China depend on two things, namely, the development of science and technology and the policy of reforms and opening to the outside world.

Wan Li hoped that China and the United States would continue to make efforts for deeper and more effective cooperation in a broad range of areas, so as to contribute to a long-term and stable development of the Sino-U.S. relations.

Graham said that the current meeting is a success, adding that cooperation in this field constitutes a major part of the economic cooperation between the two countries and to further such a cooperation is conducive to both sides, as well as to world peace.

Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, attended the hour-long meeting.

The fifth Sino-U.S. Joint Commission Meeting on Science and Technology opened here Monday. During the meeting the two sides reviewed progress made in cooperation in various fields and explored possibilities for expanding the cooperation.

The American guests have also visited some scientific research institutions in Beijing.

PEOPLE'S CONGRESS DELEGATION VISITS MONGOLIA

OW190556 Beijing XINHUA in English 0539 GMT 19 Jun 87

[Text] Ulaanbaatar, Mongolia, June 18 (XINHUA) -- Chinese and Mongolian senior officials said here today that development of relations between the two countries conforms to the fundamental interests of the two peoples.

Peng Chong, vice chairman of the Standing Committee of the National People's Congress, who is leading a NPC delegation to Mongolia, and Mongolian Parliament leader Bat-Ochiryn Altangerel said this at a banquet held this evening in honor of the Chinese guest.

Peng Chong arrived here at noon today to start a week-long official visit to Mongolia, the first of its kind in over 20 years. Peng was welcomed at the airport by Tsedenjambyn Gotob, secretary general of the Presidium of the Great People's Hural (GPH), and other high-ranking Mongolian officials.

Peng in his remarks this evening recalled that Mongolia and China are friendly neighbors and have a traditional and deep friendship.

Peng said China is pleased to see that Sino-Mongolian relations have been improved and developed in recent years with the common efforts of both sides.

The Chinese NPC delegation's current visit to Mongolia aims to deepen understanding and enhance friendship between the two countries, Peng declared.

China and Mongolia initialed a boundary treaty on June 6 that spells out ways of handling border problems between the two nations.

Believing that his visit will make due contributions to continuous development of bilateral relations, Peng said that to develop good neighboring relations and cooperation between the two countries on the basis of mutual respect and equality and mutual benefit is not only the common wish of the two peoples, but also in keeping with their fundamental interests and conducive to their socialist construction.

Altangerel, on behalf of the Mongolian GPH, expressed a warm welcome to the Chinese NPC delegation in his speech.

He maintained that Mongolia is determined to develop good neighboring relations and cooperation of mutual benefit with China, the big socialist country in Asia.

Altangerel agreed that the expansion of relations between Mongolia and China conforms to the basic interests of the two peoples and to the interest of the socialist cause.

The Mongolian official said that contacts between the highest authoritative organs of the two countries play an important role in developing bilateral relations.

He said the Mongolian people respect the Chinese people and treat them kindly and friendly and expected the visit of the Chinese NPC delegation to contribute to the development of relations between the two countries.

Altangerel met with Peng and his party this afternoon to extend his warm welcome.

Earlier today Peng and the Chinese delegation laid wreaths at the tombs of Sukhe-Bator and Choybalsan, founders of the People's Republic of Mongolia.

EDITORIAL CITES PRINCIPLES FOR PRC-JAPAN RELATIONS

HK180512 Hong Kong TA KUNG PAO in Chinese 18 Jun 87 p 2

[Editorial: "Where Do the Principles for Friendly Sino-Japanese Relations Lie?"]

[Text] On 15 June, Japan's Vice Minister of Foreign Affairs Kensuke Yanagiya met with Japanese reporters, admitting that the expressions attacking Chinese leader Deng Xiaoping not long ago were discourteous and expressing his regret for them. An official of the Ministry of Foreign Affairs explained that the word "regret" used here means offering an apology to the Chinese side.

It is desirable for the vice minister of foreign affairs to take this attitude. Knowing shame is akin to courage. By explaining things clearly it is possible for the unpleasantness arising therefrom to disappear.

China and Japan normalized their relations 15 years ago. The friendly relations between the two countries have always been fine and the governmental and non-governmental exchanges have been very close. Since China and Japan are close neighbors, there are traditional common points in their cultures, arts, societies, and even humanities. It has not been easy to achieve such developments in Sino-Japanese relations. The Chinese people never forget the many respected old friends like Kenzo Matsumura, Tatsunosuke Takasaki, and Aiichiro Fujiyama who, together with Premier Zhou Enlai, Liao Chengzhi, and others, ardently and painstakingly cultivated the friendly cause of the Chinese and Japanese peoples over the years.

Deng Xiaoping has consistently favored Sino-Japanese friendship. He has personally visited Japan and received innumerable Japanese politicians, civilian figures, and reporters. Over the past 8 years, as the most prestigious Chinese leader, he, along with other leaders, has pushed the policy of reform and opening up with the aim of building socialism with Chinese characteristics. To this end, in its foreign policy China has made great efforts to create and establish a peaceful international environment. A firm Sino-Japanese friendly relationship is first of all an important factor in the stability of the Asian region. Facts in the 15 years since the normalization of diplomatic relations between the two countries have proved this. Therefore, China and Japan should abide by the spirit of the Sino-Japanese joint statement and the Sino-Japanese Treaty of Peace and Friendship, as well as the four principles jointly initiated by the leaders of the two countries in recent years, namely, "peace and friendship, equality and mutual benefit, mutual trust, and long-term stability," and all the problems between the two countries can be solved. Ever since China carried out reform and opened up to the outside world, tremendous changes have taken place in both urban and rural areas, bringing about the best period since the founding of the PRC. Naturally, there are still many difficulties in its road of advance. However, since the path of reform and opening up is proving to be correct and efficient, China will naturally persevere to the end. It should not be denied that Deng Xiaoping's contribution in leading the 1 billion Chinese people to firmly take this new path cannot be left unrecognized. [paragraph continues]

The Chinese people have a deep respect for him. The policy of reform and opening up will not change while he is still living and in good health. Even when he is gone someday, China will firmly follow this path to the next century. It also firmly believes that the policy of "one country, two system" not only can solve China's historical problems but also will play a certain role in some troubled areas of the world.

This year is the 15th anniversary of the normalization of Sino-Japanese relations. China has gone all out in its economic construction and dedicated itself to the policy of reform and opening up for 8 years. Over the past 8 years, the economic and trade relations between the two countries have become increasingly closer. The problem now is that there is an excessive deficit in China's trade with Japan. In 2 years the deficit has reached \$10 billion. China hopes that Japan will vigorously relax its control over the import of Chinese products and that Japan will make more investments and export more technologies to China. Naturally, many Japanese friendly personages have actively offered advice or made suggestions to China, but, because China was badly hurt during the "Cultural Revolution," for a time it did not have a sufficient number of highly trained personnel and its laws are not quite perfect. All this is being improved. Some people in Japan are still taking a wait-and-see attitude, but this gives no cause for criticism.

Meanwhile, economic development has turned Japan into the world's biggest creditor nation. A handful of people have put on airs and the remnant ideas of militarism have cropped up now and then. The textbook issue is a case in point. Now that Japan has become a world economic power and wants to become a political power as well and that Japanese people have the aspiration to become "cosmopolitans", it is necessary for them to examine themselves and to be self-vigilant.

Many countries and regions, such as Southeast Asia, the Korean peninsula, Taiwan, and Hong Kong, were subject to the aggression of Japanese militarism, for this reason, keep a wary eye on Japan. The incidents of altering textbooks and paying homage at the Yakusuni Shrine have not only wounded the Chinese people's national feelings but also evoked strong reaction among non-governmental public opinion in Hong Kong, Southeast Asia, and in North and South Korea. It is believed that the vast numbers of Japanese people with foresight understand these strong international popular feelings.

Over the past 15 years, Sino-Japanese friendship has become the main current and we firmly believe that it will continue to be so in the future. Facts prove that both countries have greatly benefited from this. Although some differences will inevitably occur between the two countries, as long as we consult with each other on an equal footing and understand and accommodate each other in the spirit of the joint statement and peace treaty, the future of Sino-Japanese friendship is still bright. The deadlock over the Kokaryo [Guanghua] dormitory case is not unbreakable.

#### TIAN JIYUN MEETS JAPANESE INDUSTRIALISTS

OW161336 Beijing XINHUA in English 1216 GMT 16 Jun 87

[Text] Beijing, June 16 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met here today a delegation from Japan's Mitsubishi Enterprises Group led by Yotaro Iida, president of the Mitsubishi Heavy Industries, Ltd.

PHILIPPINES' ILETO ON U.S. BASES, OTHER ISSUES

OW190831 Beijing XINHUA in English 0702 GMT 19 Jun 87

[Text] Manila, June 18 (XINHUA) -- Philippine Defense Secretary Rafael Ileto today said coup attempts in the country "are not something we worry about at this time." In an interview with XINHUA in his office at the Aguinaldo camp, Ileto dwelt on the current situation of the armed forces and on some questions concerning peace in Southeast Asia.

He said there had been frequent reports on coup attempts in the country. "The coups were first caused by the Marcos loyalists." The other source involved in the coups was the rightist group "whose intention is to overthrow the present government," he said, adding "This is only a small group that believes in something that does not go along with the national guidance on how to fight the insurgency."

Ileto said "The ultra-rightists and the loyalists sometimes joined forces" in staging coups. But, he said since he assumed office as defense chief last November, the armed forces "have progressed in the peace and order direction." "We have increased the morale of the troops," he added.

Referring to the recent press reports on the "resignation" of Armed Forces Chief of Staff General Fidel Ramos, he said "There have been a lot of moves to get General Ramos out of the service. Some groups of the armed forces did not believe in the way Ramos is doing things. So they have created rumors and provoked the public into believing the need to ouster Ramos."

Ileto laughed off the report that there has been rift between him and General Ramos. "Some people who would like to destabilize this administration hate me and General Ramos just because we belong to this administration and we are doing our best to support it."

Concerning his position on the presence of the U.S. military bases in the Philippines, Ileto said, "As military men, we need the bases, because we are entrusted with the responsibility to protect our national sovereignty and territorial integrity. The presence of the U.S. bases is helping us in protecting our country from outside aggression." As to whether the Philippine-U.S. agreement on bases should be extended after it expires in 1991, Ileto said, "That depends upon the wish of our people and our political leadership."

Turning to the Kampuchean question, the defense secretary said that as long as Vietnam is in Kampuchea, there will be no peace. Although Vietnam said they would pull out by 1990, they did otherwise.

He said the ASEAN foreign ministers' meeting had just come out with an appeal to the Soviet Union to convince Vietnam to pull out of Kampuchea. "I think the Soviet Union can easily do that. The support being given by it to Vietnam is to continue Vietnam's staying in Kampuchea."

Ileto, who had been Philippine ambassador to Thailand for years, said he supported Thailand's demand that Vietnam withdraw its troops from Thai territory along the border.

On the idea of a nuclear-free zone in Southeast Asia, the defense secretary said "The Philippines may adhere to that concept in principle, but we cannot fully discharge our obligation to it, because we have American bases in our country."

NEWS ANALYSIS NOTES 'DELICATE SITUATION' IN GULF

OW161224 Beijing XINHUA in English 1109 GMT 16 Jun 87

["News Analysis: A Delicate Situation in the Gulf (by Huang Jianming)" -- XINHUA headline]

[Text] Kuwait, June 15 (XINHUA) -- The situation in the Gulf has become more complicated since Iraqi missiles struck the U.S. frigate "Stark" on May 17, killing 37 American crewmen.

The U.S. has reinforced its Naval forces in the Gulf by dispatching another three warships to increase its complement to seven.

Meanwhile, President Ronald Reagan has ordered U.S. forces in the Gulf to "hit back" if U.S. ships are attacked by Iran.

The Reagan administration also plans reflagging 11 Kuwaiti oil tankers under U.S. Naval protection in the Gulf despite opposition from Congress.

The Soviet Union has reinforced its military presence in the region since one of its freighters was attacked in the Gulf shortly before the "Stark" incident and one of its three Kuwaiti-chartered tankers struck a mine near the Kuwaiti coast.

Things became even worse following Iran's total rejection of the big powers' involvement by warning that it would carry out suicide operations against U.S. warships in the Gulf and turn the Gulf into a graveyard if Iran is attacked.

There is a danger that the Iran-Iraq war might be internationalized in the wake of these developments.

However, one Arab diplomat, who spoke on condition of anonymity, said here that the U.S., in essence, did not want to repeat its mistakes of the Vietnam war by drawing itself directly into the Gulf war.

Before the Venice summit, Reagan tried to gain support from his Western allies for the U.S. plan to escort shipping in the Gulf, but got an unenthusiastic response, his allies merely endorsing the principle of freedom of navigation in the Gulf.

The Reagan administration also met obstacles in Congress in approving its plan to reflag the Kuwaiti tankers.

The latest reports from Washington indicate that the Reagan administration, acknowledging the pressure from Congress, was considering placing the United Nations flag on ships in the Gulf rather than the American flag.

What the U.S. has been doing in the Gulf was aimed at regaining its credibility in the Arab world following the "Irangate" scandal and preventing the expansion of Soviet influence in the region, the Arab diplomat said.

Although the Soviet Union has reinforced its military presence in the Gulf, the source noted, it seems to have no intention of confronting the U.S. at present.

Meanwhile, the Arab Gulf states, which are immediate neighbors of Iraq and Iran, have never given up efforts to find a peaceful settlement to the conflict.

Foreign ministers of six Gulf Cooperation Council (GCC) states pledged during their Jeddah meeting last week to exert every effort to create an atmosphere conducive to a peaceful settlement between Iran and Iraq.

According to press reports here, President of the United Arab Emirates, Zayid ibn Sultan Shaykh Al Nuhayyan, will soon visit Damascus to work on a plan to bring the two warring states to the negotiating table.

Iran, which has been at war with Iraq for nearly seven years, has rejected all superpower involvement in the region and holds that all the countries in the region should maintain security of the vital waterway.

Developments indicate that parties concerned in the region would restrain themselves and strive to reduce tension in the Gulf.

#### ISRAEL QUOTES PRC SPOKESMAN ON COMMUNIST VISIT

TA181605 Jerusalem Domestic Service in Hebrew 1500 GMT 18 Jun 87

[Text] A CPC official said the visit of an Israeli Communist Party delegation to Beijing does not denote any change whatsoever in Beijing's position toward the State of Israel. The official, Wu Xingtang, is the spokesman of the CPC's International Liaison Department.

#### INDIAN POLICE ARREST 2 PRC TECHNICIANS NEAR NEPAL

BK170522 Hong Kong AFP in English 0517 GMT 17 Jun 87

[Text] Kathmandu, June 17 (AFP) -- Indian border police have arrested two Chinese technicians working in a World Bank financed hydro power project near the border between Nepal and India, officials said Wednesday.

The officials said that the two technicians were arrested on Saturday at the town of Raxaul which is India's northern rail head lying 170 kilometres (106 miles) south of here.

The Chinese technicians working on the Marsyangdi hydro electric project in Nepal were arrested after they gone on a sight-seeing trip to the Nepalese town of Birgunj, adjacent to Raxaul.

QIAO SHI HONRS BURKINA FASO MINISTER OF STATE

OW181430 Beijing XINHUA in English 1401 GMT 18 Jun 87

[Text] Beijing, June 18 (XINHUA) -- Chinese Vice Premier Qiao Shi hosted a banquet in honor of Blaise Compaore, member of the National Council of the Revolution and minister of state of the presidency of Burkina Faso, here this evening.

Speaking at the banquet, Qiao praised the Government of Burkina Faso for pursuing an independent foreign policy of non-alignment, opposing outside interference in African affairs, supporting the just struggle of the people of southern Africa and standing for the development of South-South cooperation and the establishment of a new international economic order.

"Since the establishment of diplomatic relations between China and Burkina Faso, the two countries have conducted fruitful cooperation in various fields. We are willing to make efforts to explore new forms and areas of cooperation in the spirit of quality, mutual benefit and common development so as to bring the China-Burkina Faso friendly cooperation to a higher level," he added.

Compaore, who arrived here this morning at the invitation of the Chinese Government, said the two countries have set an example in cooperation, including both mutually beneficial economic cooperation and trade. Both countries pursue peace and justice on the basis of the principle of non-alignment and the charter of the United Nations.

He emphasized that the development of Third World countries depends on their unity. Burkina Faso firmly stands side by side with peoples of all countries who are fighting domination by imperialists.

During their talks here this afternoon, Qiao briefed Compaore on China's reforms and open policy as well as its independent foreign policy for peace. He stressed that China would continue to develop friendly cooperation with other Third World countries.

Compaore briefed his host on the economic and political situation in Burkina Faso. He expressed the willingness to further cooperation with China in various fields. He also hopes China will play a greater role in the decolonization of Africa and the struggle against apartheid.

TIAN JIYUN MEETS VISITORS FROM CAMEROON

OW181023 Beijing XINHUA in English 0751 GMT 18 Jun 87

[Text] Beijing, June 18 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met a delegation of provincial governors of Cameroon led by Luc Loe, governor of the littoral province, here this afternoon.

Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries, gave a dinner for the delegation Wednesday evening.

RENMIN RIBAO REPORTS ZHAO'S 15 JUN BUDAPEST SPEECH

HK180945 Beijing RENMIN RIBAO in Chinese 17 Jun 87 p 6

[XINHUA report: "Zhao Ziyang Speaks at Banquet Hosted by Hungarian Party Central Committee and Government"]

[Text] Budapest, 15 Jun (XINHUA) -- Tonight, in a speech at the banquet held by the Hungarian Party Central Committee and Government in his honor, Zhao Ziyang, acting general secretary of the CPC Central Committee and premier of the PRC State Council, pointed out that Hungary and other socialist countries are continuing their efforts to explore ways and methods suited to their own countries in the building of socialism, and have accumulated a great deal of valuable experience. China is willing to carry out exchanges with Hungary so as to learn from each other.

In his speech, Zhao Ziyang warmly praised the Hungarian Communists and people for their indomitable struggle against domestic and foreign enemies in history for their national independence. He said: "Over the past 40 years and more, the Hungarian people have scored remarkable achievements in socialist construction. In particular, in the past 30 years, the Hungarian Socialist Workers' party [MSZMP] has correctly summed up historical experience and drawn lessons from it, closely relied on the masses, and found a road of building socialism which suits its own conditions in light of the basic principles of Marxism-Leninism and Hungary's concrete conditions. Among socialist countries, Hungary is the pioneer of reform. You have carried out economic structural reform over a wide range and in depth, and you have also done a great deal of work to modernize the political structure and to develop socialist democracy. We admire the Hungarian party and people's spirit of constant exploration and innovation. We deeply believe that under the leadership of the MSZMP, the Hungarian people will continuously solve the new problems in their country's socioeconomic development and will score greater achievements.

Then, Zhao Ziyang talked about China's situation in the building of socialism with Chinese characteristics. He said: Since the 3d Plenary Session of the 11th CPC Central Committee, "The line, principles, and policies we have pursued mainly comprise two points. First, adhering to the four cardinal principles of the socialist road, the people's democratic dictatorship, the leadership of the Communist Party, and Marxism-Leninism-Mao Zedong Thought; and second, adhering to the principle of reform, opening up, and economic invigoration. The four cardinal principles are the foundation for building our country and for developing a stable and united political situation. We must adhere to them for a long time and oppose the erroneous trend of bourgeois liberalization. We will also adhere to the principles of reform, opening up, and economic invigoration, and will carry out economic and political structural reforms in a planned and orderly way for the purpose of rapidly developing the social productive forces, further developing socialist democracy, and bringing the superiority of the socialist system into full play."

"We hold that socialism must continue to improve and develop itself through reform, and must not become stagnant and ossified. We are required to deal with and solve many new things and new problems which emerge one after another. We are making advances through exploration, and it is hard for us to avoid some errors. However, so long as we persevere in reform by making unremitting efforts, continuously sum up experience, bring our advantages into play, and overcome our shortcomings, we will certainly deepen our understanding in the course of practice and continuously deepen and develop our reform."

When talking about China's foreign policy, Zhao Ziyang said: China will firmly pursue an independent peaceful diplomatic policy, will join hands with all other peace-loving and justice-upholding nations and peoples in making unremitting efforts to promote the realization of disarmament, relax the international situation, and maintain world peace. He said: "The Hungarian Party, Government, and people are actively promoting detente, disarmament, and dialogue, promoting intercourse between Eastern and Western Europe, and making positive contributions to the maintenance of world peace. We greatly appreciate this. We hold that all countries, big or small, should and can contribute to the maintenance of world peace."

Zhao Ziyang expressed his pleasure at seeing the development of Sino-Hungarian relations in the political, economic, scientific, technological, and cultural fields in the past few years. He said: "Although our two countries are far apart from each other and have a great differences in our respective national conditions, we still have a great many points in common. This is the solid foundation for us to develop our friendly cooperation." He said that he believed that his talks with General Secretary Kadar and Prime Minister Lazar would further increase the understanding and friendship between the Chinese and Hungarian peoples and greatly advance Sino-Hungarian relations.

#### ZHAO ZIYANG DEPARTS HUNGARY FOR BULGARIA

OW180954 Beijing XINHUA in English 0930 GMT 18 Jun 87

[Text] Budapest, June 18 (XINHUA) -- Chinese Premier Zhao Ziyang ended his four-day visit to Hungary with the attainment of increased mutual understanding and trust and was given a rousing send-off upon his departure for Sofia this morning.

Hungary is the fourth stop of Zhao's five-nation tour of Eastern Europe. He is the first top Chinese Party and Government leader to visit Hungary in about three decades. His visit is widely seen as a significant milestone marking the beginning of a new stage in China's relationship with these countries.

Zhao arrived here Sunday morning after visiting Poland, Democratic Germany, and Czechoslovakia.

Making the visit in his capacity as acting general secretary of the Chinese Communist Party and premier of the State Council, Zhao spent the last few days having a stream of talks and meetings with the Hungarian leaders Janos Kadar, Pal Losonczi and Gyorgy Lazar.

He also toured Gyor, 120 kilometers northwest of the capital, to see the country's achievements in economic development.

As one of the planners and chief executive of China's economic reform in a modernization drive, Zhao showed keen interest in the experience of Hungary in economic reforms which began in 1968. He extolled Hungary as one of the forerunners and pioneers of economic reforms in socialist countries.

His official talks here show that he and his hosts had a lot of common language when they informed each other of the situation in socialist construction and reforms of their respective countries.

They agreed that though China and Hungary are different in domestic conditions and specific policies, a frequent exchange of experience is beneficial to both countries and will help increase mutual understanding and trust.

He also discussed with the Hungarian leaders some major world issues of common concern. They found themselves identical or similar to each other in their views on the safeguarding of world peace and promised to strengthen cooperation in this aspect.

It is expected that the success of Zhao's visit will enable Sino-Hungarian friendly and cooperative relations to develop with increased momentum.

Greeted by Zhivkov

OW190036 Beijing XINHUA Domestic Service in Chinese 1434 GMT 18 Jun 87

[By reporters Sun Weixi, Wang Jinbo]

[Text] Sofia, 18 Jun (XINHUA) -- At the invitation of Todor Zhivkov, general secretary of the Bulgarian Communist Party [BCP] Central Committee and chairman of the Council of Ministers, Zhao Ziyang, acting general secretary of the CPC Central Committee and premier of the State Council, arrived in Sofia this morning to begin his 4-day official goodwill visit to Bulgaria.

Zhao Ziyang is the first top Chinese Party and Government leader to pay an official visit to Bulgaria since the establishment of diplomatic relations between the two nations. Bulgaria is the fifth East European socialist country Zhao has visited after Poland, German Democratic Republic, Czechoslovakia, and Hungary.

The city of Sofia in June is warm and sunny, and the air is permeated with the fragrance of roses. Today, the Sofia airport is freshly decorated. The Chinese and Bulgarian national flags, standing out in sharp relief against other colorful banners, are fluttering in the breeze. There, the distinguished guest from China was given a rousing welcome by 3,000 Sofia citizens waving Chinese and Bulgarian national flags.

When Zhao Ziyang descended from the plane amid warm applause, Zhivkov stepped forward to greet him and warmly embraced with him. Zhivkov said: "I am very glad to be able to welcome you on Bulgarian soil!"

A grand welcoming ceremony was held at the airport. After the band played the national anthems of China and Bulgaria, Zhao Ziyang, escorted by Zhivkov, reviewed the honor guard.

All members of the BCP Central Committee Politburo were at the airport to greet Zhao Ziyang.

Also present at the airport were Teng Shaozhi, Chinese ambassador to Bulgaria, and other embassy personnel.

In a written statement read at the airport, Zhao Ziyang said: "My visit to your country shortly after Comrade Zhivkov's successful visit to China not long ago fully indicates the ever-increasing close ties between China and Bulgaria. During my visit, Comrade Zhivkov and I will continue to exchange views on bilateral relations and international issues of mutual concern, as well as on our experiences in socialist construction."

Zhao Ziyang said: "In recent years, Sino-Bulgarian contacts and cooperation in the political, economic, scientific, technological, literary, art, and sports fields have been expanding.

Relations between the CPC and the BCP have also been restored. We are ready to further promote Sino-Bulgarian cooperation on the basis of mutual respect, equality, and mutual benefit. I believe that my visit will contribute to this objective."

Following the welcoming ceremony, Zhao Ziyang, in the company of Zhivkov, was driven to the (Boyana) state guest house. When the motorcade came to the "Eagle Bridge" in central Sofia, 7,000 Sofia citizens turned out to warmly greet him. Zhao Ziyang stepped out of the limousine and accepted from Stefan Ninov, mayor of Sofia, a gold "medal of honor" of Sofia.

#### Zhao Addresses Banquet

OW190002 Beijing XINHUA in English 2334 GMT 18 Jun 87

[Text] Sofia, June 18 (XINHUA) -- Chinese leader Zhao Ziyang today paid warm tribute to the persistence of East European countries in looking for ways of building socialism in conformity with their actual conditions.

Speaking at a grand banquet given here in his honor, Zhao said that for the socialist countries the question of how to build socialism and how to bring into fuller play the advantages of the socialist system is not resolved completely.

The Chinese leader arrived here this morning on the last leg of his five-nation East European tour. He has visited Poland, Democratic Germany, Czechoslovakia and Hungary.

Summing up the results of his visit, Zhao, acting general secretary of the Chinese Communist Party and premier of the State Council, considered that there is much in common between China and these nations as regards the problems in their national development.

There are a lot in their achievements or problems, experiences or lessons which China can learn, study or take for reference, he said.

Touching on world issues, the Chinese leader spoke highly of the deep concern of the East European countries for world peace and of their efforts for easing international tensions.

"Europe occupies a strategic position of special importance in the struggle for world peace," Zhao said. "Europe, East and West alike, is a major force in safeguarding world peace."

Zhao declared that China supports whatever is done in the interest of peace and lessening of tension and it is also in favor of the efforts by East and West Europe to strengthen dialogue, improve their relations and increase their contact to maintain stability and security in Europe.

Describing his talks with the leaders of the five countries he visited as "sincere, friendly and constructive," Zhao expressed his hope and belief that China's relations with these countries based on mutual respect, mutual understanding, mutual trust, equality and mutual benefit would grow steadily.

Tonight's banquet hosted by Todor Zhivkov, general secretary of the Bulgarian Communist Party and chairman of the State Council was held in the guest house of Sofia.

Zhivkov became acquainted with Zhao when he visited Beijing early last month. The exchange of top-level visits in such a short period of time indicates a rapid development of friendship and cooperation between the two countries.

#### Zhivkov Addresses Banquet

OW190019 Beijing XINHUA in English 2345 GMT 18 Jun 87

[Text] Sofia, June 18 (XINHUA) -- Bulgarian leader Todor Zhivkov said today that there is a broad prospect for further cooperation between China and Bulgaria and that utmost efforts are needed to tap the potentials.

At an evening banquet to welcome Zhao Ziyang, acting general secretary of the Chinese Communist Party and premier of the State Council, Zhivkov pledged to continue pushing ahead with reforms in his country.

Calling for initiative and creativeness in finding solutions to some major issues facing the country, Zhivkov, general secretary of the Bulgarian Communist Party and chairman of the State Council, described as "irreversible" the process of reforms being undertaken in the East European nation.

Bulgaria, situated in the Balkans with a population of 8.96 million, began reforms in the early 1980s. Measures for a faster economic development include relaxing government control over enterprises and foreign trade, launching joint ventures with foreign countries, and bankrupting loss-making enterprises.

Zhivkov, who visited China last month, said that being a great nation, China plays an important role in the international life. He welcomes the efforts made by the Chinese leadership for peace and understanding between peoples of various countries.

Zhao arrived here today for a four-day official visit, the first by a top Chinese leader to the country ever since the two nations set up diplomatic ties in 1949.

Zhivkov told Zhao that in the age of nuclear weapons when the entire world is facing the danger of holocaust, peace and peaceful co-existence are the most essential issues in foreign policies.

He urged all countries to lose no time in adopting constructive measures to solve those international issues of explosive nature.

Zhivkov said his country will continue to work for a nuclear-free and chemical weapons-free zone in the Balkans.

Bulgaria is the last stop of the Chinese leader's five-nation East European tour, which has taken him to Poland, Democratic Germany, Czechoslovakia and Hungary.

WU XUEQIAN CONTINUES CHILEAN VISIT; HOLDS TALKS

## Receives Order of Merit

OW170146 Beijing XINHUA in English 0103 GMT 17 Jun 87

[Text] Santiago, June 16 (XINHUA) -- Chinese Foreign Minister Wu Xueqian was decorated Monday night with the insignia of the "Order of Merit of Chile, Class Great Cross" by Chilean Foreign Minister Jaime Del Valle, in representation of the Chilean Government.

The Order of Merit of Chile was created in 1817 by Bernardo O'Higgins, Chilean liberator, to reward the services rendered by distinguished citizens to the national emancipation and to the cause of liberty. The honor for such remarkable actions was also awarded later to distinguished foreigners.

During the ceremony, which was held in this capital, Foreign Minister Del Valle said that Sino-Chilean relations are based on mutual understanding, which means in the interest of both governments to promote the contacts and the study of both peoples, so that bilateral relations will be the result not only of common interests, but also of a close friendship.

He said that it is necessary and urgent to strengthen South-South cooperation and a bigger participation of the Third World in international trade.

On bilateral relations between Chile and China, Del Valle stressed that Chile places great hopes in the role the two nations may play and in what they can contribute to the so-called trans-Pacific cooperation.

Chinese Foreign Minister Wu Xueqian said that the five principles of Pacific coexistence should be observed by all countries in international relations. He added that if they act in accord with these principles, countries with different social systems and ideologies can live together in friendship.

During the last thirty years, he said, in the light of the five principles of peaceful coexistence, China has established diplomatic relations with 134 countries, among which 19 are Latin American countries.

Wu Xueqian pointed out that in spite of the fact that Chile and China are separated by the immense Pacific Ocean and under different social systems, both are developing countries and faced with the same historic mission of developing their national economies and improving the living standards of their peoples.

The Chinese foreign minister went on to say that during the last sixteen years since the establishment of diplomatic relations between China and Chile, the two countries have steadily improved their friendship ties and cooperation in various fields.

At the end of the ceremony Foreign Minister Del Valle offered a reception in honor of the Chinese delegation.

Present at the ceremony were the Chilean ministers of interior, national defense, economy, health, agriculture and the representatives of the Chinese diplomatic mission and Overseas Chinese in Chile.

At noon Monday the Chinese delegation, led by Foreign Minister Wu Xueqian, laid a wreath before the monument to the patriot Bernardo O'Higgins.

#### Stresses Latin American Ties

OW181235 Beijing XINHUA in English 1114 GMT 18 Jun 87

[Text] Santiago, June 17 (XINHUA) -- China and Latin American countries can improve their cooperation in economy and trade, Chinese Foreign Minister Wu Xueqian said here today.

In his speech at the headquarters of the U.N. Economic Commission for Latin America and the Caribbean (CEPAL), the Chinese foreign minister who is also a state counselor said that "there still exists great potential for Sino-Latin American cooperation."

The volume of Sino-Latin American trade reached 2.6 billion dollars in 1985. In 1987, China and Peru started to exchange rice and fish meal. Brazil, Argentina, Cuba and Chile have also become China's important trade partners, Wu said.

Wu noted China has recently set up a "national corporation for trade with Latin America" to further promote trade with the region.

"Following the principle of peace and friendship, reciprocal support, equality, mutual benefit and joint development, China is willing to develop even more the political and economic bonds with Latin American countries."

Wu said China supports any reasonable measures to solve the debt problem faced by most of the Latin American countries, which hinders regional economic development.

He called on the creditor countries and other organizations concerned "to share the responsibility with the debtor countries and assume an active attitude to help the Latin American debtor countries strengthen their payment capacity."

He hopes that "industrialized nations could open their markets to Latin American countries and stabilize primary product prices."

Referring the China's open policy, Wu described it as a long-term policy.

By the end of 1986, China had established economic and trade relations with more than 170 countries and regions and obtained direct foreign investment totaling 19 billion U.S. dollars, of which 6.7 billion have been used, Wu said.

China has adopted laws and preferential policies to create a better climate for investment, he said.

Wu also talked about China's foreign policy, saying the Chinese people stand for "unity and cooperation with the Third World."

"We advocate extending the ties in order to solve the current pressing problems of the developing countries with the fundamental goal of establishing a new international economic order, strengthening South-South cooperation and promoting North-South dialogue," Wu declared.

Wu Xueqian today ended his 10-day tour to Peru, Ecuador and Chile, his first to these countries as Chinese foreign minister.

Views Ties, Concludes Visit

OW181835 Beijing XINHUA in English 1756 GMT 18 Jun 87

[*"Chinese Foreign Minister Hails Relations With Latin America"* -- XINHUA headline]

[Text] Santiago, June 17 (XINHUA) -- Relations between Latin America and China are significant to world peace, South-South cooperation and establishing a new world economic order, Chinese Foreign Minister Wu Xueqian said today.

Concluding his 10-day tour of Peru, Ecuador and Chile, Wu, also a state councillor, told XINHUA China has increased trade with Latin America and has had successes in economic cooperation since Chinese Premier Zhao Zhiyang visited the area in 1985.

China maintains diplomatic ties with 19 nations in the region.

Both China and the Latin American countries are willing to upgrade relations, Wu said.

The "same or similar views" were expressed during talks with leaders of Peru, Ecuador and Chile on Central American conflicts and Latin America's debt problems, he said.

Despite tremendous efforts by Latin American debtor nations in recent years and progress made in rescheduling and easing terms of debts, achievements are still far short of a solution, he said.

Heavy foreign debts have seriously affected the countries' economic development and political stability, Wu said.

China supports the Cartagena Group's position that repayment should depend on a country's economic development and not come at the price of economic growth and living standards, Wu explained.

"We hold that the basic solution to the developing countries' debt issue is to reform the current irrational world economic order," China's foreign minister said.

On the conflicts in Central America, he said the independence, sovereignty and territorial integrity of the nations in the region should be observed and their internal issues should be resolved by the people of these countries.

Conflicts between the United States and Nicaragua should be resolved through equal and peaceful consultation rather than threats and warfare, he said, adding China opposes any external intervention in Central American affairs.

"We appreciate and support the Contadora Group's position on people's self-determination, non-interference and peaceful solution to the Central American issue and the efforts made to this end," the Chinese official said.

NPC STANDING COMMITTEE MEETING CONTINUES

## Discusses Terrorism Motion

OW181237 Beijing XINHUA in English 1210 GMT 18 Jun 87

[Text] Beijing, June 18 (XINHUA) -- China should sign the "convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents."

This was one of two proposals submitted today by the State Council to the ongoing 21st Meeting of the Standing Committee of the Sixth National People's Congress.

The other motion handed to the meeting was "decision of the People's Republic of China on exercising criminal jurisdiction over crimes referred to in international treaties which China has signed or entered into."

Zhou Man, vice-minister of foreign affairs, and Sun Wanzhong, director of the Legislation Bureau under the State Council, made respective explanations of the two motions.

Zhou said that as diplomatic agents have been the repeated targets of international terrorism, there is strong pressure from the international community for global cooperation in tackling terrorism.

"China takes a consistent stand against terrorism in any form and the aim of the convention agrees with China's stand in this respect," Zhou said.

While considering participation in the convention, the vice-minister noted, a statement should be made on the first clause of the convention's 13th Article. This clause stipulates that disputes over the explanation and application of the convention among signatory states should be arbitrated at the demand by one of the concerned sides when the solution cannot be reached through negotiation. It also stipulates that one of the two sides can hand the dispute to the International Court of Justice for disposal if they fail to agree on the arbitration.

The convention was adopted by the United Nations on December 14, 1973; by the end of 1986 there were 68 signatories.

In his explanation on the second proposal, Sun Wanzhong said that since China has signed and entered into several international treaties against terrorism, it has the responsibility to exercise criminal jurisdiction over crimes referred to in such treaties and make it part of the domestic laws.

As China's penal code does not include specific articles in this regard, Sun asked the Standing Committee to define the country's jurisdiction over such crimes in a form of legislation under the condition that no readjustment be made to the current domestic penal code.

"This would demonstrate China's serious stand against terrorism and fulfill its international obligations. It would also bring the domestic legislation into line with the country's international responsibilities and improve its socialist legal institutions," he said.

## Criticizes 'Bureaucracy'

OW181518 Beijing XINHUA in English 1452 GMT 18 Jun 87

[**"NPC Members Urge Anti-Bureaucracy" -- XINHUA headline]**

[Text] Beijing, June 18 (XINHUA) -- Members of the Standing Committee of China's National People's Congress, attending their 21st meeting criticized the bureaucracies of the Forestry Ministry and other ministries and have told the State Council to reinforce supervision over them.

In discussions on the report on the fire in northern Heilongjiang Province, they pointed out the State Council and other authoritative departments must learn lessons from the disaster and fight bureaucracy.

Zhang Chengxian said, "The leaders of the State Council did a good job extinguishing the fire, but they did no self-criticism in their summation."

Ye Lin said, "The State Council should investigate a series of accidents in recent years to find the leaders who were responsible for them."

Hu Jiwei said, "Anti-bureaucracy must be combined with democracy and the law. The media should criticize not only ministers, but also leaders above ministers."

Ye Duzheng said, "It is not right to attribute all mistakes and criminal offenses to bureaucracy."

Members of the NPC Standing Committee confirmed the decision of the State Council to fire Yang Zhong as forestry minister. And at the same time, they pointed out it must be more cautious in appointing high-ranking officials in future.

## Urges Control Over Deficit

OW181520 Beijing XINHUA in English 1455 GMT 18 Jun 87

[**"NPC Urges Control Over Financial Deficit" -- XINHUA headline]**

[Text] Beijing, June 18 (XINHUA) -- Governments at all levels should control financial deficits by improving accounting and reducing capital construction, members attending the ongoing 21st meeting of the Standing Committee of the Sixth National People's Congress urged today.

They showed great concern over the central government's financial deficit of 9.4 billion yuan last year.

Economist Xue Muqiao pointed out that China's current financial management which pays attention only to input but neglects return must be readjusted.

Qu Tangliang said borrowing money as a solution to the central government's deficit problem should be limited, otherwise increased circulation of money will lead to inflation.

Huang Yukun said the Ministry of Finance should investigate factors blocking the reduction of capital construction and adopt stricter measures in the field.

Pen Dixian noted that great efforts should be made to improve the economic efficiency of enterprises so as to increase state income.

Governments at all levels should pay great attention to the problem of overstaffing, Deng Jiatai said, adding that the problem not only increases nonproductive expenditures but also the bureaucracy.

Economist Xu Dixin said it is not that serious to have a small deficit. The problem is the government has run at a deficit for several years. He pointed out that the current deficit will not lead to an economic crisis. In his opinion, the deficit is caused by the big population, overgrowth of construction investment and social supply falling short of demand, and all this cannot be blamed only on the Ministry of Finance.

#### Deliberates Consular Treaties

OW181031 Beijing XINHUA in English 0819 GMT 18 Jun 87

[Text] Beijing, June 18 (XINHUA) -- The motions of the Sino-Mexican and Sino-Bulgarian Consular Treaties were submitted to the ongoing 21st Meeting of the Standing Committee of the Sixth National People's Congress for deliberation here today.

According to the motions proposed by Chinese Premier Zhao Ziyang, the treaties, based on the versions submitted by the three countries, are in line with the present laws, regulations and policies of China and the realities of the three countries.

The Sino-Mexican and Sino-Bulgarian consular treaties were signed by Chinese Foreign Minister Wu Xueqian and his Mexican and Bulgarian counterparts on December 7, 1986, and on May 6, 1987, respectively.

The premier said in his proposal that the friendship between China and Mexico has been growing steadily since the two countries established diplomatic relations 15 years ago. The signing of the consular treaty will not only promote consular relations but also further the economic, trade and cultural ties between the two countries.

Talking about Sino-Bulgarian relations, the premier said, the past two years have seen great progress in their relationship. He hoped that the consular treaty will become the norm for handling consular affairs between the two countries and further the ties between them.

At today's meeting, Deputy Foreign Minister Zhou Nan gave an explanation of the two treaties.

#### Views Visits Abroad

OW181037 Beijing XINHUA in English 0803 GMT 18 Jun 87

[Text] Beijing, June 18 (XINHUA) -- Recent visits by National People's Congress delegations to Greece, the Netherlands, Mexico, Colombia and Peru have been successful.

According to top NPC leaders, the visits have promoted understanding and friendship between China and the governments and peoples of these countries.

Rong Yiren and Huang Hua, vice-chairmen of the NPC Standing Committee, made detailed reports of the visits by the NPC delegations they headed to the ongoing 21st Meeting of the NPC Standing Committee.

Rong and Huang reported, "During the visits, the delegations held discussions with foreign legislatures and other government departments on strengthening the cooperation in economic, trade, and other areas, and talked about important international issues.

"The Chinese delegations were met by the presidents of Mexico, Colombia and Peru and by the prime minister of the Netherlands, and this shows the host countries are serious about developing the existing friendly ties with China," the reports said.

"The leaders of Greece and the Netherlands spoke highly of China's role in international affairs, and of China's achievements in economic construction," Rong Yiren reported, adding the president of Greece told the delegation the Greeks admire China's development, and believe the country's reforms will be successful.

According to Rong's report, the prime minister of the Netherlands said he hopes China and the Netherlands will strengthen their relations on the basis of mutual benefit, and carry out cooperation in various fields.

Huang Hua said in his report, the presidents of Mexico, Colombia and Peru also said they have paid close attention to China's political and economic progress, and are confident about expanding contact with China.

#### DEMOCRATIC PARTY HOLDS NATIONAL CONFERENCE

OW181041 Beijing XINHUA in English 0759 GMT 18 Jun 87

[Text] Beijing, June 18 (XINHUA) -- The Chinese Peasants and Workers Democratic Party, most members of which are intellectuals in pharmaceutical and public health circles, opened a national conference here today.

According to Zhou Gucheng, chairman of the party's Central Committee, the conference's agenda includes hearing a report on the work of the party and discussions of measures to strengthen the building of the party, which now has a membership of 30,000 and 2,000 grass-roots organizations all over the country.

Fang Rongxin, vice-chairman of the party's Central Committee, reviewed in a work report the achievements made by the party members in China's political life since the party's Ninth National Congress three years ago.

"Our members have put forward suggestions for the reform of China's public health management system, the invigoration of traditional Chinese medicine and tightened control of pharmaceuticals," he told the conference.

Members have opened 200 consultancy agencies throughout China over the past three years, he said, adding that they have also helped introduce some 100 million U.S. dollars from abroad into Guangzhou, Shanghai, and Fujian and Hunan Provinces.

Song Renqiong, vice-chairman of the Central Advisory Commission of the Communist Party of China (CPC), delivered a speech of congratulations to the conference on behalf of the CPC Central Committee.

RESIDENTS SURVEYED ON ATTITUDE TOWARD REFORM

OW190838 Beijing XINHUA in English 0813 GMT 19 Jun 87

[Text] Beijing, June 19 (XINHUA) -- Nearly seven residents in every 10 in 42 Chinese cities believe that China will further open to the outside world in the future, a recent sample survey reported.

Jointly conducted by research institutes under the State Science and Technology Commission and the State Commission for Economic Restructuring, the survey noted that 42.1 percent of the 4,244 surveyed think that China's general social mood will improve.

While 15.6 percent of them are of the opinion that the general social mood will deteriorate in the near future, cadres, private business people and scientific workers are optimistic about the future.

Of life in the past 10 years, 54.2 percent of those surveyed answered that their living standards had risen; 5.2 percent regarded themselves as worse off and another 10.6 percent thought that their positions were not quite as good as before.

Some 42.5 percent of them believed that their living standards would rise in the next five years; 15.2 percent thought they would go down, the survey showed.

As to whether it was a common phenomenon that people in the same units counteract each other's efforts or are jealous of each other, 62.1 percent of those surveyed, mostly teachers and technicians, said yes; another 33.4 percent thought it was comparatively rare.

The survey shows that most residents feel that China is advancing, and indicates that most people are in favor of the reform and optimistic about the future, said research workers from the State Science and Technology Commission.

"There are some people who are passive and pessimistic about the changes in living standards, social development and the political environment," said the research workers. "We need to study the causes of these phenomena and to guide them onto a positive track in the construction of modernization."

The survey was conducted from last winter to this spring. People surveyed include workers, business people, cadres, teachers, technicians, private business people, students and retirees. The survey collected more than 700,000 pieces of data.

'HIGH POWERED' LEADERS GROUP SAID TO FAVOR REFORMS

HK190601 Hong Kong SOUTH CHINA MORNING POST in English 19 Jun 87 p 10

[By Terry Cheng]

[Text] Members of a high-powered ad hoc group formed recently within the Communist Party may become China's new top leaders after the 13th Party National Congress in the autumn.

The body comprises Mr Zhao Ziyang, acting party general-secretary and Prime Minister; Mr Wan Li, senior vice-premier, Mr Hu Qili, a party Secretariat member; Mr Bo Yibo, permanent vice-chairman of the Central Advisory Commission; and Mr Yang Shangkun, permanent vice-chairman of the Central Military Commission.

The group, with the endorsement of supreme leader Mr Deng Xiaoping, has been entrusted with drawing up a plan for political reform, which will be a main theme of the National Congress, according to informed sources.

The body has also been given a mandate to prepare for the congress, where a new-look leadership will emerge.

Some reports suggest that the group is assuming the functions of the Secretariat, which includes conservative ideologue Mr Deng Liqun.

This would contradict Mr Zhao's statement early this month that Mr Hu was to preside over the Secretariat meetings while he was away in Europe.

Sources said the group was not in charge of daily affairs and that such matters were still the function of the Secretariat.

Analysts believe that the status of the ad hoc group is somewhere between the Standing Committee of the party Politburo and the Secretariat.

The Politburo's Standing Committee has become inactive since Mr Hu Yaobang, who used to be its nominal head in his capacity as general-secretary, was disgraced in January and since Mr Chen Yun, China's top economist, became seriously ill.

The five-member body may exercise some of the functions originally carried out by the Politburo.

The decision that Mr Hu Qili should preside over the Secretariat meetings and that Mr Wan should be the acting premier in Mr Zhao's absence was believed to have been made by the group.

The formation of the group is seen as a high score for the reformists, who have succeeded in halting the swing to the left and are now obviously in command.

Of the five, Mr Zhao, Mr Wan and Mr Hu are considered staunch reformists while the political inclinations of the other two veteran leaders, who are very close to Mr Deng Xiaoping, are less clear.

Mr Bo was said to have played an active role in bringing down Mr Hu Yaobang. He has advocated the concept of bringing "elderly, middle-aged and young" cadres together in the leadership. However, lately he is speaking with a reformist tone.

Mr Yang, who last week completed an official visit to the United States and Canada, was less vocal in the antibourgeois liberalisation campaign. Observers believe if the role and composition of the group remain unchanged until the 13th Party Congress, any major decisions made will be likely to favour the reformists.

TEXT OF TIAN JIYUN'S SPEECH AT PASTORAL MEETING

OW162325 Beijing XINHUA Domestic Service in Chinese 1305 GMT 12 Jun 87

[Text] Beijing, 12 Jun (XINHUA) -- Strive for Better Economic Development in China's Pastoral Areas

Speech at the National Pastoral Work Meeting

(6 June 1987)

[By Tian Jiyun]

The major purpose of this meeting is to exchange experience, deepen our understanding, and study ways to further carry out the principles, policies, and measures adopted by the party and the Government on economic development in pastoral areas, in order to achieve better economic development in these areas. I shall now offer my opinion, centering on this subject, for your reference.

I

Currently, the political and economic situation in China is very good. The situation in pastoral areas is also good. Since the 3d Plenary Session of the 11th CPC Central Committee, pastoral, semiagricultural, and semipastoral areas have earnestly carried out the party's line, principles, and policies, upheld the four cardinal principles, and adhered to the policy of reform, opening to the outside world, and invigorating the domestic economy. As a result, great changes in the social and economic situation have taken place in these areas. Further development has been made in the animal husbandry industry; slaughter rates and commodity rates for draught animals have been greatly raised; considerable progress has been made in developing grasslands; the processing industry, using animal products and raw materials, the feed processing industry, and tertiary industry have developed quite rapidly; the financial capability of these areas has been strengthened; good development has been made in the cultural, educational, public health, science, and technology fields; and the livelihood of herdsmen and peasants has further improved. Currently, the situation in these areas is stable; people of various nationalities live in unity and enjoy a happy and secure life; and the political and economic situation in these areas is good. We should have a correct understanding of this basic situation. This good situation is the result of the strengthened leadership of party committees and governments at various levels in these areas, and the hard work of the vast numbers of cadres, herdsmen, and peasants. It is the foundation on which they can advance. However, we must also see the imbalance and what remains to be done in construction and economic development in pastoral areas. The major problems are: Productive forces have not been properly developed; ability to resist natural disasters is weak; production has been very unstable; the commodity economy is poorly developed, and the areas still remain in a natural economic state; grasslands have shrunk and desert has seriously spread; management work is poor; cultural, scientific technological, and public health development is quite poor; and some herdsmen's livelihood still remains to be improved. [paragraph continues]

In general, economy in pastoral areas, particularly the animal husbandry industry, is still very feeble, and is a weak link in our national economy. This situation should call for our great attention. Economic development in pastoral areas and the animal husbandry industry are a very important part of our national economy, and we must not underestimate them. We must make up our minds to take effective measures to speed up development in pastoral areas, and make positive efforts to develop the animal husbandry industry. This is a strategic matter, involving our national economic development.

First, this is needed to bring about an historical change in China's agricultural economy and to achieve our grand economic development goals. The 12th CPC Congress set the outstanding goal of quadrupling the total industrial and agricultural output value by the end of this century. To achieve this goal, our agricultural development must not only rely on the farming industry. We must achieve overall development in agriculture, the forestry industry, the animal husbandry, sideline production, and the fishery industry. Output value in the animal husbandry industry in China accounted for 19.8 percent of the total agricultural output value in 1986. This percentage is totally out of proportion. The structure of our production industry remains unimproved. The animal husbandry industry is an important part of agricultural industry. Currently, our agricultural industry is in the process of developing from the natural economic to the commodity economic stage, and from the traditional to the modern form. In this process, while developing the farming industry, we must make positive efforts to promote animal husbandry, wherever conditions permit. This is an important part of our efforts to reform the agricultural production system, and is also a development trend.

Second, it is necessary to satisfy the increasing needs of the people for animal products. Pastoral areas are an important national animal product base. From the nutriological point of view, animal protein is most needed in our people's diet. Therefore, following improvement in the people's living standard, demand for animal products will be on the increase. This is a means to gradually improve our people's diet and health. Although, improving our people's diet must be done in a characteristically Chinese way, the trend of increasing demand for animal products cannot be reversed. This demand is currently in sharp contradiction to the industry's inability to supply these products, having developed unsteadily and slowly. How can we solve this contradiction? Can we mainly rely on transforming grain into meat, eggs, and milk? No. Because China is a very populous country with limited cultivated land, and therefore, dependence on grain makes us extremely vulnerable. As such, we should realize that China has a pastoral area of over 3.6 million square kilometers, accounting for about 37 percent of the country's total land. We also have more than 4 billion mu of grasslands, of which over 3 billion mu are usable, an area twice as big as our cultivated land. Although the quality of some of our grasslands is poor, this is a tremendous resource with which we can do a lot. Based on this national condition, we must, while making due efforts to step up the transformation of grain into animal protein, make full use of our vast grasslands to vigorously develop animal husbandry, so that we can provide more animal products to meet the people's and society's needs.

Third, there is a need to advance the economy in minority nationality areas, strengthen unity among the people of various nationalities, and consolidate our frontier areas. China's pastoral areas are mainly located in frontier regions, where the population of minority nationalities accounts for about three-quarters of the total local population. Animal husbandry is the traditional economy of the people of minority nationalities, and therefore, its development has a great impact on these people's future prosperity. This is not only an economic problem, but also a political one. To bring about development and prosperity to the people of all nationalities is our basic national policy. [paragraph continues]

People of the over 10 nationalities living in pastoral, semi-agricultural, and semi-pastoral areas are brother members of the large family of the Chinese Nation. To enable them to gradually get rid of poverty and backwardness, and enjoy prosperity with the people of other nationalities is a basic task in our nationalities work, and an honorable historical mission. Pastoral areas in China are mainly located in frontier areas. Their frontier mileage accounts for about two-thirds of the total inland frontier of our nation. Economic and cultural development in pastoral areas, and the prosperity enjoyed by the people of minority nationalities, indicate the superiority of our socialist system, and have great significance in consolidating the motherland's frontier areas and defending the unity of our nation.

We should also realize that, accelerating development in pastoral areas and striving for better economic development in these areas is not only necessary, but also possible. The reasons for this are: First, we have the correct line, principles, and policies; second, the political and economic situation in pastoral areas, and the whole nation, is good, providing a good environment for development; third, a considerable material foundation has been laid for the economic development of pastoral areas; fourth, we have managed to gain experience in developing the economy in pastoral areas. In particular, the policy of reform, opening to the outside world, and invigorating the domestic economy has provided favorable conditions for increasing pastoral areas' economic vitality and strength. In view of this, we should have a clear idea of the present situation and firm up our confidence.

In short, we should view the great significance and urgency of developing the economy in our pastoral areas from a strategic point of view. Governments at various levels, and all departments concerned, must enhance their consciousness about accelerating economic development in pastoral areas, regarding this job as an important task, and taking effective measures to ensure it is properly carried out.

## II

The Seventh 5-Year Plan has set the overall demands on China's animal husbandry, and provinces and autonomous regions, with animal husbandry occupying a relatively large sector of the economy, have also put forward specific goals for the development of their pastoral areas. Generally speaking, in carrying out pastoral area work it is necessary to adhere to the four cardinal principles, implement the policies of reform, opening, and economic invigoration, and, while focusing on economic construction, step up construction of the pastoral areas according to their actual conditions, thereby stimulating bigger economic growth in those areas. This is an arduous, but glorious, task, which can be accomplished through the joint efforts of the large numbers of cadres and people in pastoral areas, as well as correct policies and effective measures. Over the past few years, the party Central Committee and the State Council have convened conferences and issued documents in this regard. They are of great importance in guiding the work on pastoral areas, and must continue to be carried out. Here, I would like to discuss the following aspects of economic development in pastoral areas.

1. In pastoral areas, it is necessary to focus on animal husbandry, give priority to developing grassland, and promote a diversified economy, in order to achieve comprehensive development; in semiagricultural and a semipastoral areas, it is necessary to attach importance to animal husbandry, and effectively combine agriculture and animal husbandry in promoting a diversified economy to ensure comprehensive development. The vast grassland is the basic resource, as well as an advantage, of pastoral areas, whose economy should be based on livestock farming and the processing industry, using animal products as raw material. Income derived from livestock is a major revenue in pastoral areas and for herdsmen. [paragraph continues]

As the development of animal husbandry concerns the economic reinvigoration and prosperity of pastoral areas, animal husbandry must play a predominant role in their economy. This objective reality, which cannot be changed by human will, must be correctly understood and utilized. Practice has proved that any act running counter to reality can bring about disastrous results. Of course, animal husbandry constitutes the predominant sector of the economy in pastoral areas; however, efforts should not be concentrated on this sector alone. An effective way to advance the economy is to promote diversification suited to local conditions to ensure comprehensive development. In view of the rich resources in pastoral areas, it is necessary while vigorously developing animal husbandry, promote local industry based mainly on the processing of animal products, rural enterprises, tertiary industry, and other trades in order to increase the income of herdsmen and build up the economy of pastoral areas. As agriculture, animal husbandry, and forestry supplement and depend on each other for their existence, in localities where conditions permit, it is necessary to properly develop agriculture and forestry, to preserve grassland and produce grain for herdsmen. However, wanton land reclamation, to the detriment of the ecology, is prohibited either in pastoral or semiagricultural and semipastoral areas. In developing industry in pastoral areas, it is necessary to observe certain special rules, instead of mechanically following the formulas of cities and advanced areas. It is necessary to adopt measures suitable for local conditions, make the best possible use of favorable conditions, and avoid the unfavorable, map out reasonable and clear-cut plans, and coordinate the work with major urban industries.

2. It is necessary to further implement and stabilize the production responsibility system in animal husbandry. Remarkable progress has been made in economic structural reform in pastoral areas. Currently, livestock are raised and owned by the same households, and are sold at fixed prices in most pastoral areas; in some areas, livestock are contracted to specialized households for raising, and distributed according to contract, while other forms of the production responsibility system are also being practiced. As for grassland, it is publicly owned and used according to contract. Practice has proved that the various forms of the production responsibility system instituted in pastoral areas according to actual conditions, are in line with their current developmental level of productive forces, conform to the wishes of the herdsmen, and have given a strong impetus to firing their productive enthusiasm and have been supported by them. Despite shortcomings in the current forms of the production responsibility system, their general direction is correct, because they have done away with the egalitarian management and distribution mode of "everyone eating from the same big pot," and have combined responsibility, powers, and interests. In deciding the form of the production responsibility system, it is necessary to respect the wishes of the vast numbers of herdsmen, and stick to the one which can harness their production enthusiasm and promote the development of productive forces. Under the precondition of maintaining relative stability, it is necessary to deepen reform and gradually improve and perfect the production responsibility system in the light of reality in pastoral areas, and their livestock farming. The right to use grassland and the form of the production responsibility system must be ensured for a long time to come. In perfecting the production responsibility system in animal husbandry, it is necessary to correctly handle the relationship between unified and separate management. In many areas, the right to use grassland, the chief production means of livestock farming, has not yet been clearly defined. All localities should clearly define the right to use grassland, which can be contracted land which the herdsmen are willing to contract, at grass-roots production units (households, groups of households, or natural villages) according to the actual situation in each locality, so that use, development, and management of grassland can be unified, and the responsibility, powers, and interests combined. It is necessary to establish, and improve, the contracting system and introduce a system of retaining the necessary funds. We may consider the practice of levying a fixed animal husbandry tax for several years. [paragraph continues]

It is also necessary to correctly handle the relationship between decentralized management and scientific supervision, and improve the system of service before, during, and after production. While ensuring herdsmen's production and management powers and harnessing their enthusiasm, it is necessary to exercise unified supervision and service on production facilities or items difficult for separate households to manage, and to encourage the development of livestock farming on a proper, specialized, and socialized management scale. However, previous campaigns to organize large cooperatives, and the egalitarian transfer of resources against the wishes of herdsmen, should never be repeated. Otherwise, productive forces, which have just been rehabilitated and developed, will be seriously dampened. This lesson of history must always be remembered.

3. It is necessary to develop the commodity economy in pastoral areas. Due to historical reasons and natural causes, the commodity economy has never thrived in pastoral areas. To develop a socialist commodity economy is an indispensable and effective way of invigorating the economy, and achieving progress among all nationalities in pastoral areas. It is necessary to teach the large numbers of cadres and herdsmen the importance of the commodity economy, and guide them in developing production according to the commodity economy concept, thereby effectively promoting its development in pastoral areas.

It is necessary to stress economic efficiency and strive to increase the commodity rate of livestock products. This is the guiding ideology for developing the commodity economy in pastoral areas. It is necessary to actively develop livestock specialized households, and encourage an appropriately large-scale management of livestock farming, in accordance with local conditions. In pastoral areas with better conditions, it is necessary to appropriate funds from increased expenditures on agriculture to systematically establish a number of commodity bases for such products as wool, woolen yarn, beef, mutton, and dairy products. It is also necessary to accelerate transport construction and improve the conditions for commodity circulation in pastoral areas. China's grassland is vast but limited, and the area of grassland per head of livestock has decreased in recent years. This explains that, while relying mainly on natural grassland, our way of herding livestock to fresh grasslands in developing animal husbandry is of limited potential, and it is necessary to stress quality and efficiency in livestock farming. Currently, it is especially important to improve the quality and lower the cost of commodity livestock products. While increasing the area of grassland and the number of livestock, it is necessary to persistently improve animal breeds and select better indigenous strains, in order to improve the quality of livestock and increase per-unit gross and net yield of wool, and of meat. It is necessary to promptly readjust the structure of strain and animal breeding mix according to the demands of the market. Livestock raised in pastoral areas are mainly for sale, apart from those for use by the herders. By stressing the number of livestock on hand and keeping them for years, it is impossible to develop the commodity economy. The traditional method of evaluating the performance of animal husbandry must be replaced by scientific, economic, and technical evaluation indices, with special emphasis on the number of livestock leaving the shed and the commodity rate, to encourage the herdsmen to sell more livestock, accelerate their circulation and reproduction, and increase economic efficiency.

Very important in developing the commodity economy in pastoral areas is implementing the correct purchase and marketing policies, and unclogging of the circulation channel for livestock products. In the purchase and marketing of livestock products, we should simultaneously consider the interests of the state, the locality, the enterprise and the peasants and herdsmen. It was a major policy change when, in 1985, the state relieved the northwestern region of the task of transferring livestock products.  
[paragraph continues]

Because of various reasons, the new policy has not been completely implemented in some localities where control has been relaxed at the higher level but continues at the lower, successive blockade lines exist, the circulation channels are clogged, preventing the herdsmen from enjoying real benefits. Such a situation is detrimental to the development of a commodity economy. We should continue to implement the provisions on relaxing control of livestock products and invigorating their sales, break the regional blockade, and gradually establish a multitier, multichannel commodity circulation system of various forms, and with fewer intermediate links. Local industries in need of livestock products for raw materials should obtain them through economic means, such as signing voluntary and mutual-benefit barter contracts, direct purchases from herdsmen, joint operations between industrial enterprises and herdsmen, joint animal husbandry-industry-commerce operations, and opening up livestock products markets. In this way, local industries will be able to obtain the raw materials they need, while surplus livestock products may be sold elsewhere. Of course, to relax control of livestock products does not mean washing our hands of the business, but we should reduce as many intermediate links in circulation as possible to benefit the herdsmen. We should adopt resolute measures to deal with such problems as driving up prices of livestock products, and cheating customers with inferior products. If necessary, we may set price ceilings for the products. The problems are solvable as long as we persist in reform and adopt relevant corrective measures. We should not reinstitute the old practice of unified and fixed state purchases just because of certain problems.

To promote lateral economic cooperation is an important way to accelerate the development of the commodity economy in pastoral areas. Currently, the economy and technology in pastoral areas are relatively backward. Therefore, in order to bring about rapid economic development there, we must practice a policy of opening to the outside world, actively promote mutual-benefit lateral economic cooperation, and introduce necessary information, qualified personnel, technology, funds, and management experience into pastoral areas. In practicing an open policy, the pastoral areas should particularly pay attention to opening themselves to other regions in China, because the advanced technology and management experience in developed regions in China are more suitable for our pastoral areas. The Academy of Agricultural Sciences helped Doudian Village in suburban Beijing set up a cattle farm and work in cooperation with the Nei Monggol Autonomous Region. The farm buys feeder cattle from pastoral areas in Nei Monggol, and fattens them for beef. In this way, it helps the pastoral areas get rid of lean cattle in winter, and creates more meat for urban consumption. Such cooperation merits promotion. Some farming-pastoral areas have achieved good results in mutual-benefit farmer-herdsman cooperation, with livestock bred in pastoral areas and fattened in farming areas. In addition, some pastoral areas in the border regions should take advantage of the special, favorable conditions to develop border trade and economic and technological exchanges and cooperation with foreign countries. Departments concerned should actively support such trade and cooperation.

4. Great efforts should be made to step up the improvement of grassland. In pastoral areas, grass is the major livestock fodder, and the basis for animal husbandry development, as abundance of grass will lead to more, and stronger, livestock. Grassland is an important land resource and a vast, and complex, ecological and productive system. Grassland is extremely important for the maintenance of ecological balance and the development of animal husbandry. For this reason, we must improve our knowledge of grass, study it as a branch of science, and make great efforts to develop grass resources.

For a long time, people have lacked knowledge about grass and overlooked the management of grassland. [paragraph continues]

This has contributed to the serious destruction of grassland. A lot of grassland in our pastoral areas has turned into desert and deteriorated, and too much livestock is being raised there, gradually lowering the natural productivity and aggravating the contradiction between livestock and grass. This has become a conspicuous problem, obstructing development of animal husbandry in pastoral areas. We must improve the situation. In order to develop animal husbandry, we must start with its basis, the grass. We should adopt effective measures to protect, manage, and improve grassland. Grasslands in our pastoral areas are of various types, with different production conditions. In grassland development, we should adhere to a principle of overall planning, providing guidance according to type, national use, and selective improvement. Some grasslands should be planted with different grasses, and some livestock should be reared on different grassland. In this way, we should make a gradual shift from natural utilization to intensive cultivation. All localities should seriously implement the "Grassland Law," manage grass according to law, and prohibit indiscriminate land reclamation and livestock breeding. As only a certain amount of grass resources can support the rearing of a certain size of livestock, we should establish a herding system to scientifically decide the size of animal to be reared for the most rational use of grassland. We should ensure a proper size of livestock and gradually bring about a beneficial cycle. We should include grassland development in the land improvement and state agricultural capital construction plans, and create a number of enclosed and artificially-improved pastures, according to plan. At the same time, we should build more water conservancy projects in the pastures. Localities with the proper conditions should gradually build a number of bases for the steady production of a large quantity of quality commodities for grassland use. Grassland construction should be linked with the herdsmen's economic interests, so that they have the right to use the grassland and, at the same time, have a duty to improve grassland. We must not rely on the state alone to build grassland, nor let people "eat from the same big pot" of the grassland. We should divide the responsibility for grassland management and construction between various levels. To ensure a relatively steady source of funds, all localities should consider the establishment of grass cultivation funds. The funds should be accumulated gradually with a small amount at the beginning and with simultaneous investment by the state, collectives, and individuals. The funds should be managed account by account, and used efficiently, with a short turnover period. Compensation should be paid for use of the funds.

5. It is necessary to rear livestock scientifically and raise the scientific and technological level of animal husbandry. Currently, livestock is reared by traditional, backward methods in most pastoral areas. This is a major cause for unsteady output and poor economic results in animal husbandry. The development of animal husbandry, like that of agriculture, relies on correct policies and science. If science is not stressed, it will be hard to develop animal husbandry in the near future, and to have the basis for continued development. We should consider local situation, improve outdated, traditional, and backward modes of production, gradually make herdsmen settle down or partially settle down, and supplement grazing with fodder feeding. We should gradually establish a system of cultivating fine strains of grass and breeding fine animals. We should also establish an epidemic disease prevention and examination system, and a fodder processing system. We should energetically popularize new, effective animal husbandry, veterinary, and fodder processing techniques. While studying applied techniques and basic theories, veterinary research organizations should concentrate on tackling key animal husbandry problems which must be solved as soon as possible. Veterinary stations, domestic animal breeding improvement stations, grassland work stations, and grassland management stations play an important role in the development of animal husbandry. [paragraph continues]

In order to bring their role into better play under the new circumstances, we should pay attention to reforming their organization through smaller staffs and higher efficiency, make them concentrate on providing more service, and improve their working conditions, so that they become an important contact with the herdsmen, and an important force promoting economic construction in pastoral areas. We should train more animal husbandry technicians, improve livestock breeding work, seriously implement the policies for intellectuals, and stabilize and expand, the contingent of scientists and technicians in pastoral areas.

6. Earnestly support the poor in the pastoral areas. The fundamental objective of the work there is to liberate the productive forces, develop the economy, raise the herdsmen's material and cultural living standards, and achieve common prosperity. Work in the pastoral areas calls for sustained effort in this respect. In recent years, the herdsmen's livelihood has been generally further improved. However, there are still pockets of poverty in the pastoral areas. Most of the poor areas lie in the cold, intemperate, or arid zones, where ecology and production conditions are unfavorable, and natural disasters a frequent occurrence. Hence, it is imperative that measures be taken to carry out the work of practically supporting the poor in the pastoral areas. In developing support for the poor, we must avoid adopting stopgap measures, such as sending relief, but must implement radical measures to develop and enhance the vitality and intrinsic strength of the poor areas. The work of supporting the poor in the pastoral areas must fall into the national program. A certain number of low-interest loans must be allocated annually for supporting the poor in the pastoral areas. Funds for supporting the poor must be used in specific projects, mainly for economic development of the poor pastoral areas, and must not be misappropriated for other purposes. Prosperous areas must do a particularly good job in supporting the poor areas. Some localities have successfully experimented with the practice of herding livestock to support the poor. Effective experience in supporting the poor must be popularized in accordance with local conditions. We must do concrete work in supporting the poor in the pastoral areas, strive to basically solve the food and clothing problems for the poor herdsmen during the "Seventh 5-Year Plan," and, on this basis, work hard to systematically achieve prosperity.

### III

To strengthen pastoral construction and make the pastoral economy flourish, governments at all levels must strengthen leadership over work in the pastoral areas. Concerned departments in the State Council must attach importance to work in the pastoral areas, genuinely place that work on the agenda, and take practical and effective measures, in accordance with each department's responsibilities, to support the building of the pastoral areas and promote a commodity economy there. In the future, an appropriate proportion of the increased investment in agriculture must be devoted to animal husbandry, so that the livestock industry can be systematically developed.

The key to strengthening work in the pastoral areas lies in the leaders at various levels. The various provinces and autonomous regions must earnestly improve the leading bodies in the pastoral areas, pay attention to recruiting and training more cadres from the minority nationalities, strengthen the training of cadres at the town and township level, and raise the level of leadership over work in the pastoral areas. Provinces and autonomous regions, where animal husbandry makes up an important sector of the economy, must strengthen the departments in charge of pastoral work in order to strengthen their leadership and guidance.

Pastoral work must be viewed comprehensively. Both economic and political work must be properly carried out, and both material and spiritual civilizations must be promoted. In a sense, pastoral work is, to a great extent, for the benefit of minority nationalities. [paragraph continues]

Fundamentally speaking, work for minority nationalities promotes economic and cultural development. Following development of the economy, many problems can be tackled better. In pastoral areas, the economic problem is mainly that of animal husbandry. Hence, leaders at all levels in the pastoral areas must concentrate their energy and focus their economic work on developing animal husbandry. The border provinces and autonomous regions in northwest and southwest China have become better off financially since the recent reform of the financial structure. The localities must utilize the reserve financial resources primarily to strengthen the building of grasslands and development of animal husbandry in the pastoral areas. They must not waste such resources on nonproductive projects such as building office buildings, auditoriums, guesthouses, and reception centers. Only in this way can we accelerate economic development of the pastoral areas, and contribute to the fundamental and long-term interests of the herdsmen. Stability and unity are the prerequisites and the basic guarantees for smooth progress in economic development. We must conduct positive education among the rank-and-file cadres and the people in the pastoral areas on upholding the four cardinal principles, adhering to the policies of reform, opening up and enlivening, promoting patriotism, consolidating unification of the motherland, and strengthening unity among the various nationalities. Stress should be laid on units at or above county level. Cadres at all levels and the masses must be educated on the nationalities policy, and the party's nationalities policy must be genuinely carried out to strengthen unity among the various nationalities. Since most of the pastoral areas fall under the national autonomous regions, it is thereby necessary to seriously implement the "law governing the national autonomous regions," and strengthen the legal system in the pastoral areas.

Economic development of the pastoral areas has been constrained by the shortage of qualified personnel. The strategic long-term and current urgent task in the pastoral areas is to speed up intellectual development and vigorously train qualified personnel. Leaders at all levels must list this matter in their important agenda, and properly carry out the work. To strengthen development of the pastoral areas, it is necessary to actively introduce qualified personnel, but, more importantly, to train more qualified local personnel. In light of the special characteristics of the pastoral areas, we must adopt various ways to develop culture and education in the pastoral areas, and constantly raise the scientific and cultural levels of the people there.

Conditions in the pastoral areas differ from those in the agricultural areas and advanced regions. Natural conditions, the level of economic development, the lives, customs and religious beliefs of the various localities in the pastoral areas also differ greatly. Hence, in guiding pastoral work, pastoral area leaders at all levels must pay attention to, and improve, work methods. We must establish the responsibility system of setting out specific management objectives, carry out the various tasks in a practical manner, and exercise necessary supervision and evaluation. We must go deep into reality, adhere to the principle of seeking truth from facts, and offer guidance in light of local conditions and different circumstances. Particular attention must be paid to conducting investigations and study, constantly enhancing understanding of the pastoral areas and animal husbandry, discovering new situations and solving new problems. We must also correctly carry out the party's and government's various principles and policies regarding work in the pastoral areas, in light of actual conditions. More importantly, we must honestly and diligently show concern for the people's well-being, and wholeheartedly serve the broad masses of herdsmen.

To build up the pastoral areas and modernize the livestock industry is an integral part of building socialism with Chinese characteristics. It is also a great cause directly bearing on the nation's power and prosperity. [paragraph continues]

Over the years, cadres of various nationalities, intellectuals, and the people in the pastoral areas have scored great achievements through hard work and arduous effort. I wish to extend my best regards and heartfelt respects to you all on behalf of the CPC Central Committee and the State Council. China's pastoral areas are currently undergoing a period of great change. The road to pastoral area development is long and arduous. Let us continue to carry forward the spirit of hard struggle, wholeheartedly unite, and strive to further promote development of the pastoral areas, win greater economic development in those areas, and gradually build them into a modern, socialist base for animal husbandry.

CHEN JUNSHENG REPORTS ON HANDLING OF FOREST FIRE

OW172156 Beijing XINHUA Domestic Service in Chinese 0724 GMT 16 Jun 87

[Text] Beijing, 16 Jun (XINHUA) -- Report on the handling of a serious forest fire in Daxinganling

By Chen Junsheng, secretary general of the State Council

(16 Jun 1987)

Chairman, Vice Chairmen, and Committee Members:

Entrusted by the State Council, I am going to report to you on the serious incident and handling of the Daxinganling forest fire as follows:

1. Daxinganling is an important forest region and a key lumber production base of China. It has an area of 22.68 million hectares, of which 13.44 million are covered with forests with a total lumber reserve of 1.25 billion cubic meters. The area is under the administration of two forest bureaus, one under the Nei Monggol Autonomous Region and the other directly under the Ministry of Forestry.

The fire took place in the northern region which is under the administration of the forest bureau directly under the Ministry of Forestry. The area under the jurisdiction of this bureau is 9.64 million hectares with a total lumber reserve of 550 million cubic meters. The area's development and construction began in 1964. Today it is under the administration of eight subbureaus and yields some 4.5 million cubic meters of lumber annually.

The fire broke out with a tremendous force simultaneously on the east and west front of the Daxinganling forest region. The fire on the west front began on 6 May. A force 8 wind began to blow on the evening of 7 May. In only 5 hours, the fire advanced 100 km. Rail lines, roads, rivers, and even a 500-meter wide fire lane failed to block the fire's advance. During one night, the fire destroyed 3 forest bureaus at Xijilin, Tuqian, and Amuer; 7 forest farms; and 4 and 1/2 lumber storage yards. On the same evening, a fire also broke out with tremendous force and speed at Pangu forest farm in Tahe County on the east front. By 8 May, a sea of fire in Mohe County to the west and another in Tahe County to the east had already engulfed 300,000 and 200,000 hectares of forest respectively. But the fire continued to spread. After 25 days of tenacious fighting, the fire was finally extinguished on 2 June.

The area of forests destroyed, the number of people killed or wounded, and the losses caused by this forest fire were the largest since the founding of the People's Republic. Statistics show that the fire ravaged 1.01 million hectares of land, of which 700,000 hectares had been covered by forests. [paragraph continues]

Some 850,000 cubic meters of lumber in storage; 2,488 pieces of equipment, including 617 motor vehicles, tractors, and other large-size equipment; 67 bridges and conduits of a total length of 1,340 meters; 9.2 km of special railway lines; 483 km of communications lines; 284 km of power transmission lines; 3.25 million kg of grain; and 614,000 square meters of housing, including 400,000 square meters of civilian residential housing, were destroyed. Some 1,080 households with a population of 56,092 persons were victimized. Some 193 persons were killed, and 226 others were wounded.

The losses from forestry resources destroyed; by the manpower, materials, and money spent; and by stoppages of work and production have not yet been calculated. Furthermore, the ecological damage caused by the fire is incalculable in terms of money.

2. Since the fire hit a very large area with a tremendous force, the losses caused by the disaster were very serious; and the task to combat it was very arduous. On the one hand, manpower and materials had to be organized to fight the fire; and on the other hand, the victims had to be evacuated and settled.

Throughout the entire campaign to put out the fire, the State Council resolutely adhered to the general policy of protecting the lives and property of the residents and reducing the forestry losses to a minimum.

Over 58,000 soldiers and civilians participated in the fire fighting campaign, of which over 34,000 were PLA members; over 2,100 were forest policemen, fire fighting cadres and fighters, and members of professional fire fighting teams; and over 20,000 were forestry workers and civilians.

The multilevel, joint ground-air fire fighting contingent was composed of members from the various branches of the armed services. Throughout the campaign, all possible fire fighting means available to us under China's present conditions were brought to bear on the fire in order to put it out.

In organizing and directing the fire fighting struggle, we strengthened the unified leadership and command at the front due to the large area of the fire and the vast number of people engaged in fighting the fire. Pursuant to the State Council's decision, a general headquarters of the fire fighting front was established with Sun Wieben, secretary of the Heilongjiang provincial party committee, as the chief commander. The deputy chief commanders were Shi Baoyuan, deputy commander of the Shenyang Military Region; Zhou Wenhua, deputy secretary of the Heilongjiang provincial party committee; Bai Junqing, vice chairman of Nei Monggol Autonomous Region; and Dong Zhiyong and Xu Youfang, vice ministers of forestry. There were five subheadquarters under the general headquarters to direct the fire-fighting work in different areas. Facts proved that the work done by the general headquarters of the fire fighting front and the subheadquarters was effective and fruitful.

A three-in-one combination, encompassing the Army, police, and people, was put into practice in combatting the fire. In the fire fighting action, the Liberation Army, professional fire fighters, and the masses of staff members and workers acted in concert, displaying relatively powerful fighting strength.

As a whole, the action of the fire fighting contingent in combatting this large mountain fire was firm, quick, and free of rashness. [paragraph continues]

In view of the previous experience and lessons, the leading comrades of the State Council repeatedly stressed the need to put out this big fire and, at the same time, to safeguard the lives of those fighting the fire. Accordingly, in combatting the fire, no attempt was made to face the blaze by going against the wind, to combat fires spreading up mountains, or to extinguish fires burning at the tops of trees. Moreover, we did not merely fight the fire without preventing its spread by clearing up its surroundings. In fact, both fire fighting and fire-prevention measures were put into practice as appropriate. In other words, our method was to give attention to both; it was a combination of fire fighting and fire prevention. When the fire was less fierce, we fought it and extinguished it promptly. When the fire was raging with high flames, hard to control, and close to the present defense line, we skillfully exploited the wind and the favorable terrain to build another fire, using this fire to combat the big fire and block its advance. This was aimed at protecting a large amount of property with minimal loss. When the fire line was relatively dense, we first cut the fire line and blocked the fire in a small section. Then, we opened up a fire lane at a certain distance from the fire in order to prevent it from spreading. In this fire fighting struggle, fire lanes totalling 891 kilometers were opened. They are the result of the sweat and toil of the 58,000-plus people engaged in fighting the fire. These fire lanes not only served to contain the big forest fire, but will also play a similar role should any similar fire occur in the future, provided they continue to be kept in good condition. Although more than 58,000 people took part in this fire fighting struggle, because of the adoption of the above measures, no one was killed on the spot by the fire.

This big forest fire was extinguished step-by-step through the following campaigns:

(1) After the three towns of Xijilin, Tuqiang, and Amur had been destroyed by the fire, the downtown area of Tahe County with a 50,000 population, which was only some 20 kilometers away from the fire, was under serious threat. Hence, the first battle was to "defy death to safeguard Tahe." On 12 May, a fire lane was opened between the fire and the downtown area of Tahe County. This freed the downtown area of Tahe County from danger.

(2) As of 19 May, the major fire in the east had been put out, and a 300-kilometer fire lane was opened. The eastern area was by and large out of danger.

(3) From 26 May, efforts were concentrated on extinguishing the fire in the west. After 6 days and nights of hard efforts, the major fire in the west had been totally put out before dawn on 26 May. A 200-kilometer fire lane was opened around this area. At this time, the fire fighting struggle won a decisive victory.

(4) After 26 May, efforts were focused on extinguishing remnant and hidden fires and preventing dying embers from reigniting. The work of opening fire lanes continued. As of 2 June, the planned fire lanes totalling 891 kilometers were all completed. On the same day, rain fell on all of the fire area. All soldiers and civilians involved in the struggle braved the rain to clear up the fire area and put out all covert and remnant fires, finally winning a complete victory in this fire fighting battle.

Although the Daxinganling fire has been completely put out, potential fire hazards still remain in the forests. We must therefore never lower our guard and become careless. We must make every effort to eliminate any type of potential fire hazard and, as soon as a fire is discovered, immediately organize an effective force to extinguish it so that a small fire will not turn into a big one.

3. The forest fire touched the hearts of each and every one in the country. The complete victory won in battling the fire fully demonstrates the unity of the people in the country, the high sense of responsibility of soldiers and people in protecting state property and people's lives, the capability of our party and the state to mobilize, and the superiority of the socialist system.

The PLA, the main fire fighting force, has exerted great efforts and rendered great meritorious service in battling the fire. After the big fire broke out, the leading organ of the Shenyang Military Region firmly carried out the instructions of the party Central Committee, the State Council, and the Central Military Commission, and immediately dispatched the troops to the fire zones. Once there, they went all out to battle the fire without regard for their own safety. Comrade Liu Jingsong, commander of the Shenyang Military Region, visited the fire zones on two occasions to inspect the fire and took timely action to send in reinforcements. A total of 449 regimental and high-ranking officers worked on the frontline to direct the battle. Defying hardship and death, the vast number of officers and men fought heroically. They put out over 1,700 flames, created fire breaks of a total length of several hundreds kilometers, and evacuated over 10,000 people. Many officers and men, although sick or injured themselves, persisted in battling the fire, and many praiseworthy heroic collectives and models have come to the force. Because of its profound feelings for the state and the people and its arduous fighting spirit, the PLA has won the praise of the people throughout the country, forging even closer Army-government and Army-people ties.

Armed forest rangers, public security personnel, and fire fighters played the role of a shock force. Because of their good equipment, fairly modern fire fighting expertise, and rich fire fighting experience, they played an incomparable role in putting out flames, and extinguishing big and dangerous fires.

Workers and people living in the forest zones were a major force in battling the fire. Experienced in fighting forest fires and familiar with the mountainous terrain and meteorological peculiarities, they worked in close coordination with the PLA and professional fire fighters and contributed to winning the fight against the fire.

Breaking with convention, the Air Force and civil air transport departments flew as many as over 1,500 accident-free sorties to support fire fighting. They flew more than 2,400 personnel to the scene, and worked with meteorological departments to seed clouds on 18 occasions, bringing rain to an area of 20,000 square kilometers and splendidly accomplishing their reconnaissance, air dropping, air delivery, and air transport assignments.

Railway departments undertook heavy transport duties in support of fire fighting by dispatching special trains to carry troops and relief to the fire-stricken areas as quickly as possible. During the fire, they evacuated over 50,000 people to safety, and readily delivered relief supplies to the fire-stricken areas. Personal frontline guidance by leading cadres ensured unimpeded railway traffic to the fire zones.

The ad hoc group formed by the meteorological department kept a close watch on the fire, supplied timely satellite information and weather reports, carried out cloud-seeding operations, and coordinated with local antiaircraft artillery units in firing 4,700 rounds of rain-making shells.

Postal and telecommunications departments, racing against time, repaired damaged communication cables and facilities and dispatched special communication vehicles to serve on the forefront to ensure communications.

Geological and mining departments took the initiative of sending infrared scanner-equipped airplanes to help out in situations where fire detection was difficult due to smoke.

Civil affairs departments took timely steps to provide relief and relocate fire victims. As a result of cooperation from other departments and local authorities, the 50,000 or so fire victims were properly fed, clothed, and sheltered.

Public security departments worked actively to investigate the cause of the fire, intensified security control, and maintained social order in the fire-stricken zones by blocking the entrances to mountainous areas and clearing the mountains of people.

Others who contributed to the fire fighting and relief work included educational, commercial, medical, public health, material supply, machinery, chemical, light industrial, coal, communications, and cultural departments insurance companies; the Chinese Academy of Sciences; central and local journalistic departments; and so forth.

All departments, both of high and low level, in Heilongjiang and Nei Monggol Autonomous Region went all out to combat the fire and accomplished a great deal in relocating the fire victims and providing relief.

The party Central Committee, the State Council, and the Central Military Commission highly evaluate the vast number of soldiers and people who took part in battling the forest fire. Deng Xiaoping, chairman of the Central Military Commission, has issued an order to commend all the commanders and fighters who took part in fighting the fire, and President Li Xiannian and the State Council have sent messages to extend their cordial regards to all those who took part in fighting the fire and providing relief.

Jilin, Liaoning, Guangxi, Ningxia, Beijing, Tianjin, Shanghai, Shanxi, Jiangxi, Anhui, Guangdong, Qinghai, Guizhou, Fujian, Shangdong, Yunnan, and Sichuan; the All-China Federation of Trade Unions, the All-China Federal of Industry and Commerce, the China Welfare Fund for the Handicapped, the Children's Foundation of China, the Foundation for Aid to Xizang Development, the Soong Ching Ling Foundation, the Greening Foundation, and other social groups; the Chinese Academy of Military Sciences; the No 1 and No 2 Motor Vehicle Plants, the Daqing Oilfield, the China National Petrochemical Corporation, the Everbright Industrial Corporation, the Anshan Iron And Steel Corporation, and the Guangzhou Oceangoing Transportation Company; overseas organizations; workers, peasants, PLA soldiers, scientists, technicians, government personnel, literary and art workers, students, children, students studying abroad, compatriots in Hong Kong and Macao, countrymen in Taiwan, and Overseas Chinese have sent letters, telegrams, donations in cash and in kind, as well as suggestions to express their positive support for fighting the forest fire.

Heads of state or government of many countries have sent messages of sympathy. In various ways, many countries and international organizations have expressed deep sympathy for the people in the fire-stricken areas, and have donated money or relief goods for the fire victims or offered them other forms of assistance. Material and financial assistance has also been received from the Federal Republic of Germany, Japan, Canada, Britain, the United States, Italy, New Zealand, Australia, Czechoslovakia, France, the UN World Food Program, the UN Development Program, the UN Food and Agricultural Organization, the Office of the UN Disaster Relief Coordinator, the UN Children's Fund, the World Health Organization, and the European Community Committee, as well as the Red Cross Societies of the GDR, the United States, Japan, Sweden, Norway, the United Kingdom, Finland, Italy, and France; some embassies in China; offices of foreign enterprises in Beijing; and foreign experts.

The British Government in Hong Kong has paid great attention to the extraordinarily big fire, and has donated money and relief materials.

All the donations and gifts from people at home and abroad have been delivered to the fire-stricken areas, and have played a positive role in combating the fire and relieving the fire victims.

The Chinese Government has expressed heartfelt thanks to all heads of state and government for their messages of sympathy, and to the governments of all countries (and regions), as well as international organizations, groups, enterprises, and individuals for their gifts.

#### 4. The lesson of the forest fire is extremely profound.

(1) Leaders of the Ministry of Forestry were careless, and their awareness of fire prevention had been dulled. On 5 February this year, a leading comrade of the State Council instructed that the spring dry spell was serious and the Ministry of Forestry must pay attention to fire prevention, assign a leading cadre to take charge of the task, and put more people on duty, and that inspection of fire prevention must be intensified, and inspection groups should be sent to inspect fire prevention work and forest facilities. However, the principal leading comrades of the Ministry of Forestry did not pay due attention to these instructions of the State Council.

Although the Daxinganling forestry zone was particularly dry and vulnerable to forest fire last spring, the Ministry of Forestry failed to take greater precautionary measures against fire there.

Facts show that the principal leading comrades of the Ministry of Forestry paid little attention to preventing forest fires and that their bureaucratic attitude was serious. Thus they must inevitably bear the responsibility for this extraordinarily big forest fire.

Here we must point out that, for many years, staff members and workers in the Ministry of Forestry have made important contributions to cultivating and developing China's forestry resources under difficult conditions. We must fully affirm their contributions. At the crucial moment in the Daxinganling fire fighting campaign, the fire fighting and disaster rescue leading group from the Ministry of Forestry, the comrades it sent to work at the frontline, and the forestry workers in the fire-stricken areas again made the same kind of important contribution.

(2) Enterprise management was in chaos; regulations and systems ceased to be binding; worker discipline was relaxed; and operation regulations and rules were violated. It has been established that the cause directly leading to the serious fire disaster was neither natural nor sabotage by bad elements. The fires were first caused by the workers' violation of the no-smoking rule, and a regulation banning the use of mowers and irrigation machinery during the fire prevention period. The fire prevention system of this forest zone had been so seriously neglected that people from outside the area could enter and leave at will. The system requiring entry permits from people who wanted to enter the forest regions had been abolished; and the no-entry and forest patrol system during the fire prevention period was not earnestly enforced. People from outside staying in the forest areas had not been educated in forest protection, fire prevention, production safety, or the legal system. The forest zone's management was slack and perfunctory. Regulations and rules were not followed, and bans were not enforced. People entering the forest areas could smoke or light a fire at will. Even after the fire was extinguished, flames can still be seen frequently. [paragraph continues]

These loopholes are giving people new worries. The situation also shows that, if management and education in ideology, systems, discipline, and laws are not strengthened, it will be very difficult to ensure the safety of the forest zones.

(3) The fire fighting force was weakened, and the professional fire fighting units were in poor condition. During the fire fighting campaign, it was found that the forest police force could play an important role in protecting forests and fire prevention. Yet, the importance of this force had been overlooked. Last March, just before this year's fire prevention period began, Mohe County, which suffered serious losses in the fire disaster, disbanded a 76-member forest police unit, thereby seriously weakening its own professional fire fighting strength. Currently, the forest police force is far from being able to meet their job requirement either in strength or quality. It is necessary to work out plans for increasing their strength so that, as soon as a fire starts, the local professional fire fighting unit can immediately be sent to isolate and extinguish it before it spreads.

(4) The basic fire prevention facilities and equipment in the forest zones are so poor that they cannot be expected to meet even the basic needs of fire prevention. Daxinganling forest region is twice as big as the Yichun forest region. Yet, it has only 31 observation towers, less than one-third the number in the Yichun forest region. The wind-powered fire extinguisher produced by Shaanxi's Weinan Forestry Machinery Plant is a very effective fire fighting tool. Its effectiveness is equivalent to that of a dozen people. Yet, Daxinganling forest region had only 301 such extinguishers, or one-third of the number in the Yichun forest region. There are few roads in Daxinganling forest region, averaging only 1.1 meters of road per hectare. Also, it has few fire lanes. Once a fire starts, it immediately spreads, blocking all entrances for people or vehicles. This condition was one of the major factors contributing to the difficult situation in fire fighting. To sum up, the basic fire prevention facilities and equipment should be strengthened in the forest regions. The various provinces, autonomous regions, and municipalities, as well as the forestry departments, must pay attention to this problem; and related departments must also give them support in this.

(5) "Firewood cities" represent another big worry for the forest regions. Many lodgings in the forest regions are built with "boards and plaster;" and planks, wooden fences, and firewood chopping blocks can be seen everywhere. Investigation shows that, on the average, each household has 30 cubic meters of firewood, enough for several years' heating and cooking. Each year, staff members and workers in the Daxinganling area burn a total of 600,000 cubic meters of firewood. Not only is this a waste of natural resources, but it also poses a threat to the safety of nearby cities and towns. The "firewood cities" were principal culprits in the burning of several cities and towns in the recent fire. Therefore, we must be determined to clear away all the "firewood cities." This can be done by taking effective measures for centralized management, formulating policies to cope with the situation, or replacing firewood with coal as fuel for cooking and heating.

(5) The State Council was very concerned about the recent serious fire disaster and promptly issued instructions concerning the fire fighting campaign. Premier Zhao Ziyang was constantly informed of the situation. He gave clear-cut instructions for all-out efforts to put out the fire, sending relief to the disaster areas, speedily finding out the cause of the fire, and seriously summing up experience and drawing lessons from the disaster. When the State Council received a report on the disaster on 8 May, Vice Premier Li Peng immediately instructed the Ministry of Forestry to size up the fire situation as soon as possible, and promptly report to the State Council concerning problems to be solved. [paragraph continues]

On the morning of 9 May, Vice Premier Li Peng held a meeting of departments concerned to study the fire situation, consulted with the PLA's leading organs about sending troops to participate in fire fighting, and decided to set up a State Council leading group for fire fighting in the Daxinganling forest region. At the same time, the Ministry of Forestry set up a fire fighting and disaster relief leading group, headed by Vice Minister Liu Guangyun.

On 12 May, leading a group of responsible comrades from departments concerned under the State Council, Vice Premier Li Peng arrived in Tahe; visited fire sites at Xijilin, Tuqiang, Amuer, and on the eastern and western front; extended regards to soldiers and civilians combating the fire at the frontline; and held an on-the-spot meeting in Tahe to hear reports by the front line fire fighting headquarters and study the overall plan for deploying fire fighting forces and providing relief for the victims. In view of the raging fire situation, Vice Premier Li Peng and Comrade Liu Jingsong, commander of the Shenyang Military Region, jointly decided to send in 20,000 more troops and regard extinguishing the fire as a top priority task. They affirmed the "three combinations" experience, integrating fire fighting with prevention, using fire to fight fire, and setting up fire lanes to isolate fires. Vice Premier Li Peng further instructed the authorities to do a good job in resettling the victims, ensuring there would be enough food, clothing, housing, and medicine for the victims. He also called for the masses to be organized to restore production and rebuild their homes.

On 16 May, the State Council set up a leading group for restoring production and rebuilding homes in the Daxinganling disaster region, composed of responsible from departments concerned, to be led by Liu Zhongyi, vice minister of the State Planning Commission. Immediately after its inauguration, the leading group arrived at the disaster area, carried out on-site investigations, and proposed specific plans.

On 19 May, Vice Premier Wan Li presided over a routine meeting of the State Council and heard reports by Vice Premier Li Peng and a leading group for fire fighting and disaster relief under the Ministry of Forestry. The meeting stressed the need to mobilize all forces which could be mobilized, ensuring the supply of fire fighting equipment, putting out the fire as soon as possible, and resettling the victims. The meeting sternly criticized the serious bureaucratism on the part of the leadership of the Ministry of Forestry.

On 25 May, leading a group of responsible comrades from departments concerned under the State Council, Vice Premier Tian Jiyun arrived in the Daxinganling disaster area, extended regards to the fire fighting soldiers and the victims, called on the sick and injured, and visited the disaster-stricken areas, fire lanes, and other installations in Xijilin, Tuqiang, and Amuer. He also presided over an on-the-spot meeting of the State Council in Tahe, heard reports from the frontline headquarters, and studied plans and gave instruction on how to win a total victory over the fire disaster, restore production, rebuild homes, and fulfill other tasks. The meeting stressed resolutely, thoroughly, and totally extinguishing all remnant or smouldering fires. The meeting called for vigorous propagation of advanced individuals' deeds in the fire fighting campaign, making an accurate assessment of the losses to the state and the people caused by the disaster, earnestly summing up experiences and drawing lessons from the disaster, and doing everything possible to resettle the victims, restore production, and rebuild homes. The meeting also proposed specific plans for raising funds through various channels. The meeting repeatedly stressed the fulfillment to the task of completing and opening up more fire lanes.

Throughout the entire campaign to put out the fire and provide disaster relief, leading comrades of the State Council maintained round-the-clock direct contact with the fire fighting frontlines on the disaster situation.

They helped the frontline headquarters solve problems; organized manpower and materials from departments concerned in support of the campaign, and ensured cooperation between the frontline units and the rear echelon organs to extinguish the fire.

On 6 June, after the last battle of the fire fighting campaign was won, acting Premier Wan Li presided over a plenary session of the State Council and heard reports by Comrades Sun Weiben and Liu Jinsong. Vice Premier Tian Jiyun gave a talk on the cause, serious threat, and profound lessons learned from the disaster, and on the task of reforestration in the fire-ravaged forest areas. The meeting adopted a "Decision of the State Council on the Handling of the Serious Daxing'anling Forest Fire Incident." It decided to dismiss Yang Zhong from his post as minister of the Ministry of Forestry. The decision will be submitted to the NPC Standing Committee for examination and approval. The meeting also decided to sternly deal with other personnel directly responsible for the disaster. The meeting called on the various forestry departments at all levels, as well as various localities concerned, to earnestly sum up experiences and draw lessons, effectively implement the forestry law and regulations on forest protection and fire prevention in the fire fighting ordinances, and take strict measures to prevent, or promptly extinguish, forest fires. The various localities, departments, enterprises, and establishments should regard production safety as a task of primary importance, and take all possible measures to protect the lives and property of the state and the staff members and workers, and prevent the occurrence of major incidents.

At the meeting, Comrade Wan Li and Bo Yibo gave talks on opposing bureaucracy in state organs. They pointed out the serious threat to the lives and property of the state and people posed by bureaucracy and called on the forestry departments as well as all departments under the state organs to oppose bureaucracy.

Currently, in light of their own actual situation, the various departments under the State Council are implementing the State Council decision, finding out their own problems, and formulating measures to deal with these problems.

The above report is hereby submitted for examination.

#### COMMENTATOR ON REQUIREMENTS FOR GOOD GOVERNMENT

HK190821 Beijing LIAOWANG in Chinese No 23, 8 Jun 87, p 1

[Commentator's article: "Incorruptibility, Appointment on Merit, and Service"]

[Text] Some people say that a ruling party should meet three basic requirements: incorrupt and clean government, appointment based on merit, and service. Only thus can it hold an invincible position. This viewpoint is rather reasonable.

Incorrupt and clean government was an ideal of many people in history. However, in the class society before the New China was founded, this ideal could not be realized. Only after the socialist system was established in China could there be an actual foundation for incorrupt and clean government. All the work of the people's government serves the interests of the people, and Communists strive only for the emancipation of all mankind and do not seek private gain. Incorrupt government is not an abstract concept. It should find expression in concrete matters in every specific period. For example, the most important thing in China's politics today in reform and opening up for the building of socialism with Chinese characteristics.

So, the primary requirement for incorrupt government is to adhere to reform and opening up. Of course, there remains bureaucratism in some aspects of our work, and it must be overcome; our work efficiency is still not high enough, and should be raised as quickly as possible; and many irregularities still exist among our cadres and must be corrected. All these are issues that we should solve in the building of incorrupt government. However, the most important task is to carry out reform and opening up, which is the fundamental road for building socialism and the party's general policy. If we abandon this road and deviate from this orientation, we will certainly return to the beaten path of national isolation, which will confine China to poverty and backwardness for ever. How, then, could we overcome bureaucratism, various unhealthy tendencies, and other corrupt phenomena? And how could we adhere to the socialist road? Therefore, without reform and opening up, it is impossible to talk about incorrupt and clean government.

Appointment based on merit is a major issue concerning our personnel policy. Appointing people according to their ability and merits is also a political ideal and measure of all social reformers in history. However, each class has its own able people, and virtuous people in different times must measure up to different standards. Today, our able and virtuous people should adhere to Marxism and insist on reform and opening up, and should have modern knowledge. Today, when talking about appointing able and virtuous people, we mean that party organizations and government institutions should use their power over personnel affairs properly, and appoint and promote people who can really carry out reform and opening up, work diligently for the cause of socialist modernization, and serve the people wholeheartedly. We must resolutely oppose the erroneous practice of appointing people by favoritism and cronyism or rigidly by seniority alone, which goes against our modernization cause. It is not easy to discover able and talented people, and it is even harder to properly appoint them to posts in which their talents and abilities can be brought into full play. This actually takes a great deal of learning. All party and government institutions must handle this work prudently and resolutely.

Service is not a new concept. Our Chinese Communists and the people's government under the leadership of the Communist Party are representatives of the people's interests, and constantly serve the people. We have advocated the principle of serving the people for decades. However, service is now taken as a leadership method in the guidance for economic reform, and this is a rather new idea with concrete and realistic content. Governments at all levels should give deep thought to this point and understand it better. They should realize that the in-depth reform in enterprises requires services offered by government institutions, and how to offer such services is also a major branch of learning.

We hold that there are two key points in order to offer good service: First, our service should serve a clear objective, which is to invigorate the enterprises so as to advance our country's economic development. At present, when offering services, some local governments attach many additional terms to such services in violation of the policies concerned, and still tightly control the enterprises, which do not really have decisionmaking power in many fields. Their "service" will simply result in stifling the initiative of the enterprises, so it is inadvisable. Second, it is necessary to find some proper methods of providing service. There may be many methods, but they should all be in line with the same central idea -- understanding and care. That is, to understand the enterprises, we must investigate and observe things, listen to the voice of the enterprises, and discover the desires of the masses. To care about the enterprises, we should seriously analyze the difficulties of the enterprises and take measures to fully meet their needs as far as we can. Only this is the correct attitude.

Incorrupt government -- we should insist on reform and opening up and fight against corrupt phenomena.

Appointment based on merit -- we should appoint cadres who have both ability and virtue and can correctly implement the party's principles and policies.

Service -- we should seriously promote the in-depth reform in enterprises, invigorate enterprises, and enliven the economy.

These are three interrelated matters of great importance. Although we have not summarized all the leadership tasks of the party and the government into these three things, if we can seriously fulfill these three points, our party's leadership role and the government's overall economic control will certainly be improved and strengthened, and our reform and opening up will be effectively carried out in depth. This is beyond any doubt.

#### COMMENTATOR ON INFRINGING ON PEASANTS' INTERESTS

HK181529 Beijing RENMIN RIBAO in Chinese 17 Jun 87 p 1

[Commentator's article: "No Withholding of the Party's Concern for Peasants"]

[Text] To encourage peasants to vigorously increase grain production and output and to ensure the economic interests of the peasants engaged in grain production, the central authorities have decided to link the 1987 grain contract with the supply of chemical fertilizer and diesel fuel at original price. This major economic reform to ensure grain production has been well-received by the vast numbers of peasants. In some localities where the work is done well, the production situation is excellent and the peasants are in high spirits. Viewed from the overall situation, however, there are a number of questions in linking grain contracts with the supply of chemical fertilizer and diesel: In many localities, peasants engaged in grain production cannot purchase the amount they should actually get. As a result, grain production is affected to varying degrees. Many people with real power have taken advantage of the chemical fertilizer and diesel to establish personal relationships and seek personal gains, thus undermining the relations between the party and masses and between the cadres and masses. Some departments purchased chemical fertilizer and diesel at the original price and sold them without authorization to peasants at a higher price, which increased the burden of the peasants. Even worse, some lawless elements obtained chemical fertilizer and diesel purchased at original price and used this as "capital" to exploit the peasants and seek exorbitant profits. In places where these problems exist, the enthusiasm of the peasants for production is dampened. They doubt the party's rural economic policy and lack confidence in the measures to improve party style and social mood. The scramble for chemical fertilizer and diesel has also led to disturbances undermining social order. For this reason, many peasants have written letters appealing to the higher authorities to adopt measures to curb the unhealthy tendency and attack the lawless elements.

It should be noted that the leading comrades of some government organs and departments have revealed their bureaucratism by turning a deaf ear to the eager voice of the peasants and allowing lawless elements to cheat the peasants. In recent years, some comrades have been blindly complacent with the excellent rural situation, steady increase of grain, and improvement of the peasants' living standard. They do not seem to care any more about the rural areas, farming, and the peasants. [paragraph continues]

In some departments that are actually set up for the peasants, no one is willing to speak on behalf of them. The comrades of these departments work for the sake of their own interests. As a result, they have consciously or unconsciously done many things encroaching upon the interests of the peasants and have even turned their service into seeking "advantages" from the peasants. Some comrades have frequent contacts with the peasants, yet they ignore their well-being, turn a deaf ear to their eager voice, and even say, "Is it not a matter of a few jin of chemical fertilizer and diesel? It is merely a trifle."

This attitude is very wrong. Failure to deliver chemical fertilizer and diesel to the peasants and the dissatisfaction of the peasants arising therefrom constitute the focus of the problems accumulated in rural areas recently. It is also a typical manifestation of bureaucratism and unhealthy tendency among our cadres. It is certainly not a trifle, but a major event related to the stability and unity of the vast rural areas and the steady development of agricultural production. It is not a simple economic question, but a major question related to whether our party can uphold its purpose of wholeheartedly serving the people. A peasant pinpointed the question in his letter: The cadres have embezzled the party's fine policies and the party's concern for the peasants rather than a few jin of chemical fertilizer and diesel. We hope that the sincere and touching appeal of the peasants can enable our comrades to awaken themselves, change their attitude, and adopt resolute measures to do a good job of the supply of chemical fertilizer and diesel and sternly deal with units and individual who have abused power to cheat the peasants and seek personal gains. At the same time, we also hope that other departments and units that have relations with the rural areas, agriculture, and the peasants will draw inferences from this instance and handle the matters that have encroached upon the interests of the peasants as quickly as possible to consolidate and develop the excellent rural situation.

#### COMMENTATOR ON REMOVING OBSTACLES TO ECONOMIC REFORM

HK190825 Beijing GONGREN RIBAO in Chinese 13 Jun 87 p 1

[Commentator's article: "The Most Fundamental Task of Socialism Is To Develop the Productive Forces"]

[Text] Economic reform is a new thing. It is quite normal that there are different views on it even though people now have a better understanding of it after 8 years of practice. This is a fact. However, some people still have the confused and erroneous view of setting the policy of reform and opening up against the upholding of the four cardinal principles. Some comrades think as long as the policy of reform and opening up is emphasized, there is no need to uphold the four cardinal principles; others maintain that as long as bourgeois liberalization is opposed, the policy of reform and opening up should be "discontinued." As a result, they view that the things which are proved to be good for emancipation of the productive forces and to promote our socialist modernization are of capitalist nature and they term things which hinder the development of the productive forces as being of socialist nature.

After half a year of struggle against bourgeois liberalization, the spread of the ideology of bourgeois liberalization has been checked and the viewpoint that as long as the policy of reform and opening up is emphasized, there is no need to uphold the four cardinal principles has found less support among the people. Of course, we should not slacken our efforts to overcome obstruction from the right when the occasion arises and should continue to deepen the education in upholding the four cardinal principles.  
[paragraph continues]

However, there is still the viewpoint that as long as bourgeois liberalization is opposed, the policy of reform and opening up should be discontinued, and such viewpoint is sometimes misconceived as adherence to socialist principles. For this reason, the erroneous "leftist" ideology is now a major problem on the ideological and theoretical fronts, and there is still a lot to do in doing away with the outworn, stagnant and ossified viewpoints and eliminating the influence of erroneous "leftist" ideology. In dealing with the question of reform, the "leftist" mistakes and the ossified, outworn and stagnant viewpoints find expression mainly in the following: They interpret many measures which have been adopted for economic reform since the 3d Plenary Session of the 11th CPC Central Committee and have been proved to vigorously promote the development of the productive forces as being of "capitalist nature," and they abstractly discuss socialist principles without mentioning the development of the productive forces and by studying the relations of production in an isolated way.

Marxists hold that the productive forces and the relations of production must be considered in a unified way and the main criterion of judging progress and regression is to see whether the productive forces can be emancipated, and that practice is the sole criterion for testing truth. As early as 40 years ago, Comrade Mao Zedong pointed out profoundly: "In judging the policies of all political parties in China and what they do for the Chinese people, we must, in the final analysis, see whether they can promote the development of the productive forces and whether they hinder the development of the productive forces or they help emancipate the productive forces." No doubt, the production of material resources is the basis of existence and development of human society. Mankind must first solve the basic problems of food, clothing and housing before they go in for other activities and the development of the production of material resources depends on the level of the productive forces. For this reason, the development of human society is, in the final analysis, conditioned by the development of the productive forces. Social progress can only be measured by the development of the productive forces. The productive forces always develop in the given relations of production, and the relations of production can be proved progressive only when they accord with the relations of the productive forces and step up the development of the productive forces. Comrade Deng Xiaoping has repeatedly pointed out: "The most fundamental task in the socialist stage is to develop the productive forces. The superiority of socialism is expressed in the fact that its productive forces can develop better and faster than that in capitalist countries." Proceeding from the actual situation in our economic structure, the economic reform over the past 8 years has readjusted the relations of production in some aspects, thus affecting great changes in the pattern of our economic structure. The 8 years in which economic reform has been carried out are a period in which our economic development have been most vigorous, our national strength has been most excellent, and our people have most benefited themselves. This is all too obvious in everybody's eye. If we turn a blind eye to the fact and describe the policy of reform and opening up which is good for development of the productive forces as a policy of adopting capitalism, this is in no way a realistic attitude but a resurgence of the ossified and dogmatist concept that socialist revolution can certainly bring about a change of the relations of production.

Studying the relations of production in an isolated way and by straying from the development of the productive forces is not a Marxist viewpoint. For years we often took a one-sided approach to the point that unceasing change of ownership certainly leads to the realization of socialism. As a result, divorced from the development of the productive forces we persisted in blindly changing the relations of production, thus committing some serious mistakes. For example, we rashly launched the "Great Leap Forward" campaign and the people's commune campaign in the rural areas, thus committing the grave "leftist" errors of pursuing higher quotas, giving blind directions, being prone to boosting and exaggeration, and blowing the "communist wind." [paragraph continues]

With regard to the question of ownership, we blindly pursued the practice of "larger in size and having a higher degree of public ownership," and promoted "escalation" and "transition." In terms of the distribution system, we practiced "egalitarianism and indiscriminate transfer of resources," and hoped to "rush into communism." During the 10 years of turmoil, we criticized private plots of peasants, household side-line occupations, and rural fairs as the spontaneous tendency toward capitalism and advocated "pauper's transition," thus pushing our socialist cause to the verge of bankruptcy. All these errors were mainly due to the erroneous "leftist" guiding ideology. At that time we were overanxious for quick results and adopted some measures overstepping the primary stage of socialism in an attempt to "enter the stage of communism at an early date." This actually means we did not have a sound understanding of the dialectical relationship between the productive forces and productive relations. Experience teaches us that if we do not develop productive forces but stress only relations of production, we can hardly build socialism. Just as Comrade Deng Xiaoping has pointed out, "The experiences in the 20 years from 1958 to 1978 teach us: Socialism is not pauperism, it aims at the elimination of poverty. Not developing the productive forces and not raising the people's living standards are not in keeping with the needs of socialism."

Our country is still in the initial stage of socialism. The fundamental task of socialism is to develop the productive forces. In judging whether a reform measure is practical, we must see whether it promotes the development of the productive forces. Therefore, we must resolutely break with the "leftist" ideology and ossified concepts and unfailingly implement the policy of reform and opening up. Only by so doing will our socialist cause be attractive and successful.

#### YANG DEZHI INSPECTS LIGHT WEAPONS INSTITUTE

HK190737 Beijing JIEFANGJUN BAO in Chinese 4 Jun 87 p 1

[Report by Liu Shunqing (0491 7311 1987): "Yang Dezhi Inspects the Light Weapons Research Institute"]

[Text] While inspecting the work of the Light Weapons Research Institute, Yang Dezhi, deputy secretary general of the Central Military Commission and chief of General Staff, emphasized that proceeding from the modernization of our Army and from the safeguarding of our motherland, we must step up scientific research and enhance the level of weapons and equipment.

This institute was reconstructed in October 1975 with the approval of Comrade Deng Xiaoping. Over the past 10 or so years, it has made important contributions toward the development of light weapons and equipment and won many prizes for its scientific and technological achievements and progress from the Army. After listening to the report made by the leader of the institute, Chief of General Staff Yang said: "Good, scientific research is an important link in the modernization of the equipment of our Army. Only by stepping up scientific research can we enhance the level of equipment. You must step up scientific research in the equipment needed by PLA units."

Chief of General Staff Yang watched the modern weapons on display and experimental shooting. He repeatedly emphasized that our PLA units should strengthen their resistance ability and reduce the weight of weapons and equipment. We must rely on our own efforts and at the same time learn from foreign experiences, make advanced weapons which meet the needs of our Army, improve the backward, and carry out transformation in some aspects so as to turn them into the advanced. He said that as light weapons and equipment, we must attach importance to function and weight in conducting research.

XIZANG PARTY REPRESENTATIVE CONFERENCE OPENS

HK180131 Lhasa Xizang Regional Service in Mandarin 1030 GMT 17 Jun 87

[Excerpts] The Xizang regional party representative conference opened in Lhasa on the morning of 17 June. [passage omitted] The conference is being attended by 117 party representatives from all fronts in the region. [passage omitted]

Seated on the presidium were Wu Jinghua, secretary of the regional party committee; deputy secretaries Doje Cering, Basang, Mao Rubai, and Gyanicain Norbu; Zhang Xiangmin, chairman of the regional advisory commission; and Zhang Shaosong, political commissar of Xizang Military District.

At 0955, Comrade Wu Jinghua declared the conference open. The delegates rose to their feet for the "Internationale." Dangzin, deputy secretary of the regional party committee, delivered a report conveying the spirit of the national conference on summing up party rectification work. The conference held panel discussions on this report in the afternoon.

## More on Conference

HK181510 Lhasa Xizang Regional Service in Mandarin 1030 GMT 18 Jun 87

[Excerpts] This morning participants in an autonomous regional conference of party delegates held at the Lhasa Conference Center, listened to a report by Doje Cering, deputy secretary of the autonomous regional party committee, entitled "Fully Develop Democracy Within the Party and Conscientiously Do Well in Electing Delegates to the 13th National Party Congress," and also listened to a report by (Wang Hairong), deputy secretary general of the conference and director of the Organization Department of the regional party committee, explaining issues from the current conference of party delegates and relevant electoral issues.

In his report, Comrade Doje Cering said: The forthcoming 13th National Party Congress will be a meeting of great importance in the history of our party. A successful convocation of the 13th National Party Congress will be able to offer the ideological and organizational guarantee of a healthy and successful promotion of China's economic and political structural reforms, and will also ensure the building of the two socialist civilizations can continue to forge ahead in the correct direction. Successfully electing delegates to the 13th National Party Congress is the guarantee of a successful convocation of the congress. Therefore, promoting the work of electing delegates to the 13th National Party Congress is of great importance. [passage omitted]

In his report, Comrade Doje Cering calling for [words... istinct] successfully electing our region's delegates to the 13th National Party Congress.

Attending this morning's session of the regional conference and seated on the rostrum were the following leading comrades: Wu Jinghua, Mao Rubai, Dangzin, Gyanincain Norbu, Zhang Xiangming, and Zhang Shaosong.

Basang, deputy secretary of the regional party committee, presided over this morning's session. During this afternoon's session, participants in the conference fully considered and talked over issues concerning electing our region's delegates to the 13th National Party Congress.

BEIJING MUNICIPAL CYL CONGRESS CONCLUDES 10 JUN

SK190537 Beijing BEIJING RIBAO in Chinese 11 June 87 p 1

[Excerpts] After successfully accomplishing the predetermined tasks, the Eighth Beijing Municipal CYL Congress concluded on 10 June.

Over the past 2 days, representatives participating in the congress conscientiously examined and adopted a work report on "standing in the forefront of the capital's construction and reform, and created new goals for the motherland and the people" delivered by the Seventh Beijing Municipal CYL Committee; and elected the 8th Beijing Municipal CYL Committee, and representatives participating in the 12th National CYL Congress. [passage omitted]

Qiang Wei, newly elected secretary of the municipal CYL committee, delivered a closing speech. He said: The task for "guiding the youth to stand in the forefront of the capital's construction and reform and to achieve new goals for the motherland and the people," set forth at this congress, reflects the demands on our CYL organizations set forth by the times. We should rely on the concerted efforts of all CYL members and the solid, creative, and hard work of CYL cadres at all levels to fulfill this glorious and arduous task. So, we should hold high the banner of communism; strengthen the self-construction of CYL organizations; improve the political awareness of CYL members; enhance the combat effectiveness of CYL organizations; make the greatest effort to unite and educate the vast number of young people to engage in the capital's construction and reform; and motivate the young people to make contributions, receive education, and enhance their abilities over the course of practices to remarkably accomplish the glorious mission entrusted to us by the new age.

The congress concuded amid the majestic International.

BEIJING'S LI XIMING INSPECTS POWER PLANT PROJECT

SK190544 Beijing BEIJING RIBAO in Chinese 12 Jun 87 p 1

[Text] On 10 June, Li Ximing, secretary of the municipal party committee, inspected the ongoing Shijingshan power plant reconstruction project in Beijing. The designed capacity of this project is 600,000 kw. Upon construction, it will play an important role in alleviating the strained power and heat supply problem in Beijing.

Responsible persons of the Shijingshan power general plant and the Beijing power machinery construction company, which is responsible for the civil engineering construction, gave briefings to Comrade Li Ximing. After hearing the briefings, Comrade Li Ximing went to the construction site in a jovial mood. He was satisfied with the progress of the project and extended regards to all construction workers. Standing in front of a cooling tower which covers a floor space of 6,000 square meters, the largest in North China so far, Comrade Li Ximing encouraged the construction workers and said: The construction quality of the cooling tower is quite good. I hope the builders will win a national plaque of merit. During his inspection, Li Ximing asked in detail about the equipment situation. He called on the construction unit to give full cooperation to the building unit, to build the project carefully, and to ensure the Shijingshan power plant reconstruction project goes into operation on schedule.

At present, the 210-meter high chimney of the reconstruction project has been completed, and the construction of the main workshop, the No 1 cooling tower, and five coal storehouses is making headway. The major parts of the boiler are being installed. It is expected that the No 1 power generator will go into production during the first half of next year.

#### HEBEI'S XING CHONGZHI VISITS COLLEGE STUDENTS

SK190304 Shijiazhuang HEBEI RIBAO in Chinese 6 June 87 p 1

[Text] On 3 and 4 June, Xing Chongzhi, secretary of the provincial party committee, heard reports by the party committee of Hebei Agricultural University and the Wanxian County Party Committee on Hebei Agricultural University teachers and students participating in social activities; visited the places where the teachers and students were doing their practical work; and called on and cordially held talks with them in Wanxian County. Comrade Xing Chongzhi fully affirmed the experiences and achievements scored by Hebei Agricultural University teachers and students in taking part in social activities, and pointed out that organizing students to take part in social activities was the essential way for cultivating qualified college students.

Comrade Xing Chongzhi and more than 20 teachers and students of the Horticultural Department and the Animal Husbandry and Veterinary Medical Department of Hebei Agricultural Department gathered at a peasant household courtyard in Wanxian County on the morning of 4 June. Comrade Xing Chongzhi said: "I have come to visit you. I would like to ask you, teachers and students, to speak first." [quotation marks as published] The atmosphere of the meeting immediately became relaxed and harmonious, and all participants talked freely and lively. The students said: We have tempered ourselves, improved our way of thinking, and fostered an ideology of hard struggle and plain living since we came to the countryside. The knowledge from books has further been intensified through practical application. Simultaneously, we have made some contributions to developing modernized agriculture and changing the features of the rural areas. We have come to deeply realize that the rural areas cannot depart from us just as we cannot depart from them.

After conscientiously hearing the talks between teachers and students, Comrade Xing Chongzhi spoke highly of their achievements in taking part in social activities. He said: I think both teachers and students have a good mental attitude. I mean they have a revolutionary spirit, a spirit of hard struggle and plain living, and a spirit of dedicating themselves to the revolutionary cause. This is what the college students in the 1980's should have.

Comrade Xing Chongzhi fully affirmed Hebei Agricultural University's experiences in making teaching, scientific research, and production be coordinated with one another; and pointed out the university has done much work, has accumulated experiences, and has done pioneering work in regard to the implementation of the grand plan for developing Taihang Shan. He called for further summing up experiences, widening the experiences, improving the training of technical skills, and persistently implementing the plan for developing Taihang Shan.

Comrade Xing Chongzhi said: The tasks of the university are to vitalize Hebei's agriculture and to cultivate skilled agricultural persons. Simultaneously, the students of Hebei Agricultural University should resolve to vitalize Hebei's agriculture, should study ways on how to link modern sciences and technologies with traditional agrotechnologies, and should strive to realize the grand goal of serving the people through doing the specific work of vitalizing Hebei's agriculture. This is what the provincial party committee and all people of the province expect of you.

In regard to cultivating qualified skilled persons, Comrade Xing Chongzhi stressed: Qualified skilled persons cultivated by universities and colleges should have lofty ideals, sound morals, knowledge, and a sense of discipline. Organizing college students to take part in social practices is the essential way for cultivating qualified skilled persons. In order to cultivate qualified skilled persons, universities and colleges should first have leading bodies that honestly and sincerely implement the line set forth at the 3d plenary session of the 11th CPC Central Committee. They also should have good ranks of teachers. All teachers must have abilities in teaching and educating the people. That is, teachers should be good at passing on knowledge and conducting ideological and political work.

Comrade Xing Chongzhi pointed out: All social fronts should pay attention to supporting college students to participate in social activities, and should provide them with conditions for extensively establishing contacts with reality and the masses. College students are able to gain many experiences through participating in social activities. University and college teachers and students are an amazing force in developing the economy, culture, science, and technology. Thus, we must make the most of the province's existing skilled persons, including university and college teachers and students.

After hearing the report concerning students of the Department of Industrial Science taking part in social activities, Xing Chongzhi said: We should pay attention to having more students of this department work at the county-run industrial enterprises and town and township enterprises; and should have them bring their functions into play in these enterprises as they are short of skilled persons.

HEILONGJIANG'S SUN SPEAKS AT PLENARY SESSION

SK190347 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 18 Jun 87

[Text] At the seventh enlarged Plenary Session of the Fifth Heilongjiang Provincial CPC Committee, which concluded on 18 June, Sun Weiben, secretary of the provincial party committee, delivered a speech on how to strengthen party building constantly after the conclusion of party rectification.

Comrade Sun Weiben pointed out in his speech: The new situation created by reform and opening to the outside world has set many new and still higher demands on party building. Party organizations at all levels must never slacken their efforts. They should regard it a major task for party building to ensure the implementation of the line adopted since the 3d plenary session of the 11th party Central Committee. They should enhance their understanding of the relationship between the two basic points -- upholding the four cardinal principles, carrying out reform, opening to the outside world, and stimulating the domestic economy -- which are closely related and mutually dependent. In opposing bourgeois liberalism, they should intensify the education with positive examples. Reform should not only be continued but also accelerated. They should enhance their understanding of the important significance in developing productive forces.

Comrade Sun Weiben continued: Based on the situation of our province, we should emphatically grasp the three issues in which the party should take charge of party affairs; the party should be run strictly; and democratic centralism should be strictly implemented with our efforts to strengthen party building at present. First, we should adhere to the principle that the party should take charge of party affairs. In line with the guidelines of central documents and the demands of the provincial party committee, party organizations at all levels should bring into better balance the relationship between the party and the government so that they can carry out their work in a coordinated manner. Party committees should take the initiative in reducing their direct intervention in the government's day-to-day work, and the enterprise's specific economic activities, conscientiously exercise ideological and political leadership, and ensures that party committees concentrate their efforts on major events. Second, we should adhere to the principle of running the party strictly. Judging from the problems exposed during party rectification, one of the important reasons why the various problems within the party are rather serious is that the party is not run strictly. Over the past few years, major and malignant accidents have occurred continuously in our province. This, to a very great extent is tied to weak leadership, slack organization, and lax discipline in quite a few localities and departments. We must pay attention to this problem, and exert great efforts to solve it. In running the party strictly, we should put the regular activites of the party on a well-organized basis, enforce party discipline, and strictly uphold the standards for selecting and promoting leading cadres as well as recruiting party members. Third, we should adhere to the party principle of democratic centralism, and strive to create an atmosphere characterized by democracy, equality, mutual supervision, and unity to make progress.

Comrade Sun Weiben said: In our present endeavor to improve the workstyles of the party, we should focus on opposing bureaucracy.

He pointed out: Bureaucracy, in any form, is a reflection of impure party spirit. Although the central authorities have taken measures to deal with the Ministry of Forestry for the Daxinganling forest fire, the fire occurred in our province, in the land covering 460,000 square km under the jurisdiction of our province. We should conscientiously think over this problem. After the fire incident, I have conducted an earnest self-criticism at the provincial party committee and government and, in line with the several malignant incidents that had occurred continuously over the past few years, summed up the lessons. I felt that all these incidents reflected negligence on the part of leadership, problems in our work, and bureaucracy in our workstyles.

After listing the numerous manifestations of bureaucracy, Comrade Sun Weiben said: To overcome bureaucracy, we should begin by changing our workstyles, and should foster the idea of serving the people wholeheartedly, and treat our work with an attitude of enthusiasm and devotion, and a spirit of extreme responsibility. We should foster the idea that leadership means service, and conscientiously help the grass-roots levels and the masses solve problems. We should establish and improve the systems under which leading cadres are responsible for fulfilling designated goals, and their performance is evaluated, so that they will be stimulated to overcome bureaucracy and do more solid work. We should strengthen supervision and examination to facilitate the completion of the work.

Comrade Sun Weiben stressed: Starting from strengthening party spirit, and in connection with the reforms of the economic and political structures, we should wage a struggle to oppose bureaucracy, exert great efforts to carry the struggle through to the end, and strive to complete the province's work, define the plans for and requirements of the next step of work fairly clearly, and fulfill its scheduled tasks.

GANSU MEETING DISCUSSES ADMINISTRATIVE CHANGES

HK190147 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 18 Jun 87

[Excerpts] Provincial CPC Committee Deputy Secretary Hou Zongbin spoke at a forum on 18 June on improving city administration of counties and changing counties into cities. He pointed out that in continually improving these systems, it is essential to establish a guiding idea and make a success of work in four respects. The guiding idea to be established is the integration of urban and rural areas, which is the basic guiding idea for the structural reform of city administration of counties and changing counties into cities. The four things to be done well are: 1) Delegate Powers, to invigorate the cities and counties. 2) Streamline the administration organs and change work functions. 3) Bring into play the role of leading forward whole areas and perfect the service systems. 4) Strengthen urban construction, and enhance the comprehensive functions of the cities. [passage omitted]

Hou Zongbin said: According to statistics from 12 cities in the province, comparing 1986, after the structural reform, with 1985, total industrial output value rose by 11.8 percent, agricultural output value by (75) percent, and financial revenue by 20 percent. Economic growth and development have speeded up markedly in the 3 years since this structural reform. This shows that instituting the system of city administration of counties accords with the orientation of developing socialist commodity economy.

However, we can only say that Gansu has made a good start in the structural reform of city administration of counties. There are still many problems and contradictions that require perfection and improvement.

On the question of stepping up urban construction and enhancing the comprehensive functions of the cities, Hou Zongbin said it is currently necessary to guard against and eliminate three trends: 1) The trend of going too fast and impatiently demanding urban construction. 2) The trend of simply relying on the state in urban construction. 3) The trend of building cities into large cities. [passage omitted]

Governor Jia Zhijie presided at the meeting. Provincial CPC Committee Secretary Li Ziqi attended and spoke. [passage omitted]

SHAANXI'S BAI JINIAN INSPECTS FLOOD CONTROL WORKS

HK190743 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 17 Jun 87

[Excerpts] On the afternoon of 15 June, Bai Jinian, secretary of the provincial party committee, carried out a comprehensive inspection of the flood control works in the Ankang County Town. [passage omitted]

Bai Jinian made a detailed inspection of all the flood control works and expressed his satisfaction at both the construction speed and quality of the flood control works. [passage omitted]

RENMIN RIBAO ON PRC, TAIWAN SHIPPING INCIDENT

HK181144 Beijing RENMIN RIBAO in Chinese 16 Jun 87 p 4

[ "Newsletter" by reporter Zhang Mingqing (1728 6900 3237): "Fujian Fishing Vessel Sank after Collision with Taiwan Freighter; Dispute Settled Satisfactorily Through Consultation Between Both Parties" ]

[Text] Fuzhou, 15 Jun -- After over 2 months of maritime investigation and consultation between both parties, a disastrous accident at sea, in which the SS Chia Hua, a 10,000-ton freighter from Taiwan, sank the Fujian fishing vessel 619 in a collision, was successfully solved in early June. The Fujian Marine Fishery Corporation, the proprietor of the fishing vessel, received compensation on 13 June amounting to \$880,000 from the other party's insurance company.

At noon on 30 March, Fujian fishing vessels 619 and 620 were conducting dragnet operations in fishing zone 213-9 in the Dong Hai operational zone, some 120 miles from Wenzhou. It was cloudy and foggy. The wind was west to southwesterly force 4 to 5 on the Beaufort scale, the sea state was calm, and visibility was 300-400 meters. At that time the SS Chia Hua, a Taiwan Chiahsin Shipping Co., Ltc. freighter which was bound for Pusan, South Korea, from Taiwan's Kaohsiung, was moving at a speed of 12.5 knots in violation of the stipulated safety speed limit in foggy weather. The second mate on duty in SS Chia Hua recounted later that its radar had shown two bright spots (which were Fujian fishing vessels 619 and 620) but these were mistaken for wave clutter. When they were known to be fishing vessels, it was too late for the SS Chia Hua to avoid the collision. At 1203, struck in the port quarter by the SS Chia Hua's bow, fishing vessel 619 capsized. At 1235 the vessel began to sink by the stern and at 1240 it had completely sunk. The 17 crewmen on board the vessel were killed.

After the disaster, fishing vessel 620 issued an emergency call for help. Ten minutes later, Shanghai fishing vessel 711 rushed to the spot and transmitted messages on behalf of fishing vessel 620 asking for emergency help. Fujian fishing vessel 620 and Shanghai fishing vessels 711 and 712 looked for survivors where the accident had happened. At 1240 Shanghai fishing vessel 711 picked up a sailor, who died despite emergency treatment. The other 16 crewmen sank to the bottom of the sea with the ship. After the SS Chia Hua hove to at the request of Fujian fishing vessel 620, the captain, second mate, and two helmsmen from the ship went to the fishing vessel. The captain expressed his condolences over the deaths of the sailors and said he had informed the shipowner of the accident and they were willing to stay, to wait for maritime investigation, and to be dealt with according to the law.

On 31 March, in a telephone call to the Fujian fishery company, the Hong Kong office of the Chiahsin Company offered an apology and asked that SS Chia Hua be allowed to proceed to Pusan. It also expressed its readiness to immediately send people to Fuzhou to deal with the aftermath of the accident. On 1 April, the executive director of the Hong Kong office and others arrived in Fuzhou as promised. Through consultation, the Fujian side agreed to let SS Chia Hua go and the other party expressed its deep gratitude. At 2300 that day, SS Chia Hua set sail. [paragraph continues]

On 1 April, the captain of ship and others went to Wenzhou to undergo maritime investigation. Fujian fishery company also dispatched people to Wenzhou. The maritime investigation was conducted by the Wenzhou Harbor Superintendency Administration. The results of the investigation showed that SS Chia Hua held primary responsibility for the marine accident and should compensate for all the losses in Fujian fishing vessel 619. After the investigation ended, the captain of SS Chia Hua and others returned to Taiwan via Hong Kong.

Lloyds of London UK Insurance Company, through whom Chiahsin Shipping Company, Ltd. took out the insurance, asked its Hong Kong representatives to go to Shanghai during the first 10 days of April to hold consultation with the representatives of Fujian Province Marine Fishery Corporation on the question of compensation. They reached a compensation agreement and the money was remitted to the Shanghai branch company of the Chinese People's Insurance Corporation to be delivered to Fujian Fishery Company.

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BASIC LAW OFFICIAL ON POLITICAL SYSTEM

HK181444 Beijing XINHUA Hong Kong Service in Chinese 0805 GMT 18 Jun 87

[Report: "Secretary General of the Hong Kong Basic Law Drafting Committee Li Hou on Development of the Political System in Hong Kong" -- XINHUA headline]

[Text] Hong, 18 Jun (XINHUA) -- The latest issue of LIAOWANG OVERSEAS EDITION carries a special article reporting remarks by secretary-general of the Hong Kong Basic Law Drafting Committee, Li Hou, on the development of the political system in Hong Kong.

Li Hou made these remarks during an interview he granted to a LIAOWANG reporter in Guangzhou a few days ago, when the political system special group of the Basic Law Drafting Committee held a meeting there.

Li Hou was pretty satisfied with the progress made during that meeting of the political system special group. Most of the members of the special group have had quite close views on some major articles of the Basic Law, such as those on the duties and powers of the chief executive, the executive body, and the legislature. Referring to such issues as the election of the chief executive and the constitution of the legislature, which had not yet been discussed during the meeting, Li Hou admitted that all these were universally acknowledged "knotty problems." He said that the special group, pursuing the principle of "solving easier problems before dealing with more difficult ones," would discuss these issues later.

To further elaborate his view, he said: These issues have not only aroused varying opinions among the public in Hong Kong but also remarkable differences among Hong Kong members of the Basic Law Drafting Committee. So far no mainland members of the Basic Law Drafting Committee have officially aired their views on the choice of election forms available after 1997. Special caution should be used on complicated problems like these and, given remarkable differences of opinions between various circles, no conclusion should be drawn in a hurry. It is not permitted to overlook the interests of any circle, therefore the solutions to these issues will need protracted discussions. Only a comprehensive consideration based on the future political system of Hong Kong as a whole framework can help to gradually build a common understanding.

Talking about the development of the future political system in Hong Kong, Li Hou pointed out: The existing political system in Hong Kong, except where modification is necessary as stipulated by the Sino-British Joint Declaration, should be changed as slightly as possible. In other words, the less change the better. It is mandatory to keep the advantages of the existing political system in Hong Kong which have proved effective. There is no need to hurriedly effect an enormous change. Otherwise the stability and prosperity of Hong Kong may be jeopardized.

Li said: The major changes to be effected in the existing political system that are stipulated in the Sino-British Joint Declaration include two things, namely, "the chief executive of the Hong Kong Special Administrative Region shall be selected by election or through consultations held locally, and be appointed by the Central People's Government;" and "the legislature of the Hong Kong Special Administrative Region shall be constituted by elections." These views were put forward by the Chinese Government and were promulgated as a policy. Li said: In 1984, in a letter in reply to the University of Hong Kong Student Union, Premier Zhao Ziyang clearly declared: "Safeguarding the people's democratic rights is a basic principle guiding our country's democratic rights is a basic principle guiding our country's political life. Therefore the introduction of a democratized political system in the Hong Kong Special Administration Region or, as you put it, 'governing Hong Kong in a democratic way,' will be an absolutely natural development." Thus it can be anticipated that a system characterized by democratic involvement which suits Hong Kong's conditions will be developed step by step after 1997, with those advantages in the existing political system of Hong Kong retained.

Li Hou said: There are various forms of democratic involvement. After all, when taking up such issues as elections, one should consider the actual needs of Hong Kong. Democracy must be explored and introduced step by step since such a gradual process is the only one that conforms with the general principle of maintaining the prosperity and stability of Hong Kong. The Chinese side has no objection to democracy and understands the demand and desire of the Hong Kong people from all strata who are striving for democratic involvement. That means both sides have a common goal. Conveying a statement made by Ji Pengfei, chairman of the Basic Law Drafting Committee, Li said: In establishing its future political system, Hong Kong can never copy indiscriminately either from Mainland China or from the West. The future political system for Hong Kong should rather be drawn up in light of actual local circumstances. I am sure that people in all circles who are concerned for the development of Hong Kong's political system will consider this in real earnest.

Li Hou reiterated during the interview that the current development of a representative government system in Hong Kong must converge with the Basic Law. He said: Some people do not agree with the necessity of convergence between the two things. They are wrong. It is hard to contemplate what an impact and shock the Hong Kong community will face if development of the political system does not converge with the Basic Law.

Li Hou pointed out: If direct elections are introduced hastily in 1988, before 1990 when the Basic Law is finalized, it will be impossible for the former to converge with the latter. This goes counter to the spirit of the Sino-British Joint Declaration and will also be unfavorable to the smooth transition to sovereignty for Hong Kong in 1997.

Li Hou said: How the legislature of Hong Kong will be constituted and what forms of election will be adopted after 1997 should only be officially ratified after the enactment of the Basic Law by the NPC in 1990. He pointed out: Some people in Hong Kong have predicted that there will be no direct elections in the future if direct elections are not initiated in 1988. Their speculation is completely groundless.

MACAOZHOU NAN ON DECLARATION, HONG KONG, TAIWAN

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["Explanations on Sino-Portuguese Joint Declaration" -- XINHUA headline]

[Text] Beijing, June 18 (XINHUA) — China and Portugal were able to agree on the Macao issue through sincere, patient negotiations, Chinese Vice-Foreign Minister Zhou Nan said today.

Zhou made the remarks in his explanation on the Sino-Portuguese Joint Declaration on Macao at the ongoing 21st Meeting of the Sixth National People's Congress. The joint declaration has been submitted to the meeting for deliberation and approval.

The joint declaration was officially signed by Chinese and Portuguese premiers on April 13, 1987.

Chinese Foreign Minister Wu Xueqian made a report on the initialled declaration at the Fifth Session of the Sixth National People's Congress on April 2, this year. The session was satisfactory with the work of the Chinese Government in solving the Macao issue, Zhou Nan said. The session also decided to entrust the National People's Congress Standing Committee to examine and approve the declaration.

The signing of the declaration has been accorded with warm welcome from the whole Chinese people including compatriots in Macao as well as widespread support from the Portuguese people and the people the world over, Zhou said.

The current social stability and brisk economy in Macao has enhanced the confidence of the people in Macao for the future. This, Zhou Nan said, fully demonstrated that the signing of the joint declaration by the Chinese Government is based on the actual conditions of Macao and in the fundamental interests of the people there, the vice-minister stated.

"Following the settlement of the Hong Kong issue, Macao will be reunited with the mainland in 1999," Zhou said, adding the settlement shows the Chinese people have taken a big step towards reunification and is another major event in China's contemporary history.

"The declaration also illustrates the concept of "one country, two systems" is workable, and reunification of the whole country is sure to be realized," Zhou added.

"The success of the Hong Kong and Macao agreements will have strong impact on the Taiwan authorities and the Taiwan people," he said, "and will be a positive force in ending the separation of Taiwan and the mainland and guaranteeing China's reunification."

"The success of the Macao settlement will also help to ensure long-term stability and development in the region," he remarked, adding patriotic Macao residents will continue to be influential in maintaining the region's stability and development.

"The successful settlement of the Macao issue is another example of solving international disputes through peaceful negotiation, particularly those between countries left over by history." Zhou said.

"China will make unremitting efforts for the full implementation of the joint declaration," which, he added, accords with the common interests of both China and Portugal.

Peng Zhen, chairman of the National People's Congress Standing Committee, attended today's plenary meeting which was presided over by Geng Biao, vice-chairman of the NPC Standing Committee.

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